House of Commons  

Tuesday 22 May 2012  

The House met at half-past Two o’clock  

PRAYERS  

[MR SPEAKER in the Chair]  

BUSINESS BEFORE QUESTIONS  

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON (NO. 2) BILL [LORDS]  

Motion made,  
That the promoters of the London Local Authorities and Transport for London (No. 2) Bill [Lords], which was originally introduced in the House of Lords in Session 2007–08 on 22 January 2008, may have leave to proceed with the Bill in the current Session according to the provisions of Standing Order 188B (Revival of bills).—[The Second Deputy Chairman of Ways and Means.]  

Hon. Members: Object.  
To be considered on Tuesday 12 June.  

Oral Answers to Questions  

DEPUTY PRIME MINISTER  

The Deputy Prime Minister was asked—  

Royal Succession  

2. Mrs Helen Grant (Maidstone and The Weald) (Con): What plans he has to bring forward legislative proposals on the rules governing succession to the Crown. [108461]  

5. Mark Lancaster (Milton Keynes North) (Con): What plans he has to bring forward legislative proposals on the rules governing succession to the Crown. [108465]  

The Deputy Prime Minister (Mr Nick Clegg): We are working closely with the New Zealand Government to secure the agreement of all the Commonwealth realms to the introduction of UK primary legislation on royal succession. Legislation will be introduced once we have secured this agreement and when parliamentary time allows.  

Mrs Grant: If the birds and the bees of the romantic Isle of Anglesey were to conspire and bless our future King of England and his wife with the patter of tiny feet before this law was enacted, and if that royal baby turned out to be a little girl, would she succeed to the throne?  

The Deputy Prime Minister: If the birds and the bees were to deliver that blessing to the Duke and Duchess of Cambridge—and, indeed, the nation as a whole—that little girl would be covered by these provisions and changes to the rules of succession, because they operate as from the time of the declaration at the Commonwealth summit last October. It is important to remember that the rules are de facto in place, even though de jure they still need to be implemented through legislation in the way I have described.  

Mark Lancaster: Will the Deputy Prime Minister confirm that there are no plans to change the requirement for the monarch to be a communicant of the Church of England?  

The Deputy Prime Minister: There are no plans whatsoever.  

Paul Flynn (Newport West) (Lab): In the interests of democracy and dragging the monarchy and the office of Head of State into the 21st century, can it be arranged for the new Bill to permit alternative candidates to stand as Head of State, given the misgivings about King Charles III?  

The Deputy Prime Minister: The hon. Gentleman mentions what sounds like another attempt to resurrect the alternative vote system, which I do not think was greeted with universal acclaim last year and would not apply in this area either. More seriously, I do not think he should belittle the enormity of this change. We are getting rid of some very long-standing, discriminatory anomalies on male primogeniture and the rule preventing heirs to the throne from marrying—uniquely among all religions—Roman Catholics. That is real progress that has not been achieved in a long time.  

House of Lords Reform  

3. Mark Durkan (Foyle) (SDLP): What assessment he has made of the effect of his proposals on House of Lords reform on the relationship between the two Houses. [108463]  

The Deputy Prime Minister (Mr Nick Clegg): The Government believe that the primacy of the House of Commons will be maintained. We accept, of course, that the conventions and agreements between the two Houses will continue to adapt and evolve, but this is compatible with the continued primacy of the House of Commons. I stress that this is not only the view of the Government; the majority of the Joint Committee on the Draft House of Lords Reform Bill said that the current basis “on which Commons primacy rests would suffice to ensure its continuation”.  

Mark Durkan: The Deputy Prime Minister will hear many Members wax precious about the primacy of this Chamber, but this Whip-tamed Chamber spends far less time considering legislation and has a poor rate of success with amendments. Is there not something pathetic about self-respecting democratic legislators having to rely on the fact that another House is unelected to claim legitimate primacy?
The Deputy Prime Minister: I share the hon. Gentleman’s view that, although some concerns about the primacy of the House of Commons need to be taken seriously, some are overstated, not least because the changes that we published in our draft Bill would mean that, because the other place would be elected in instalments, it would never have a more recent, fresher democratic mandate than Members sitting in this place. When combined with other differences of mandate, constituency and so forth, that approach will ensure that the relationship between the two continues to guarantee the primacy of this place.

Mrs Eleanor Laing (Epping Forest) (Con): It is interesting that the Deputy Prime Minister quoted selectively from the Joint Committee report. That report also stated:

“We concur…that Clause 2 of the draft Bill is not capable…of preserving the primacy of the House of Commons.”

Does he accept that?

The Deputy Prime Minister: I accept that the Joint Committee received evidence, particularly from Lords Pannick and Goldsmith, suggesting that the two Parliament Acts should be incorporated and reflected in clause 2 to clarify this issue of primacy beyond doubt. We are actively considering that and all the Joint Committee’s recommendations.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): Would it not have been sensible to start out by looking at the powers and responsibilities of the second House first, rather than just continuing as we are?

The Deputy Prime Minister: It is important to stress that the Joint Committee did not make that suggestion, and neither have a succession of cross-party committees and commissions over the last several years. All of them have agreed that there is nothing incompatible about increasing the legitimacy of the other place, on the basis of the very simple, uncontroversial principle that the people who make the laws of the land should be elected by the people who obey the laws of the land, and that this matter should in no way need to wait for a wider discussion on the respective powers of the two places.

Mike Crockart (Edinburgh West) (LD): Given that we are now part of a multicultural and polytheistic society, does my right hon. Friend agree that now is the time to remove bishops from the House of Lords, rather than increasing the proportion of seats that they would hold?

The Deputy Prime Minister: I know there are strongly held views on this issue, as on many issues to do with reform of the other place. The balanced approach that we took as a Government in the draft Bill was to reduce the number of bishops from 26 to 12, but not to remove them altogether.

Sadiq Khan (Tooting) (Lab): I thank the Deputy Prime Minister for the way in which he answered those questions. How soon does he expect to be able to publish the Bill, and how many days does he think it is reasonable for MPs to have to debate it?

The Deputy Prime Minister: We hope to publish the Bill well before the summer recess. The amount of time that would be allocated to it would be the subject of discussion through the usual channels and then a possible timetable vote in the House of Commons.

Electoral Register

4. Amber Rudd (Hastings and Rye) (Con): What steps he is taking to improve the completeness and accuracy of the electoral register.

[108464]

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): We are bringing forward our Electoral Registration and Administration Bill, which has its Second Reading in the House tomorrow, to improve the completeness and accuracy of the electoral register.

Amber Rudd: How does my hon. Friend expect individual voter registration to help with efforts to get more disabled people and young people registered to vote?

Mr Harper: It is certainly true that there has been a lot of focus on the possible risks to this approach. When we debate Second Reading tomorrow, I hope that colleagues will see that we have taken a lot of steps to deal with that. However, there are also a number of opportunities, one of which is through the online registration system that we are introducing. We hope that disabled people, particularly those with visual impairments, will find it more convenient and easier to register. We may therefore find that, among certain groups, we have a better chance of getting people registered to vote and able to exercise their democratic rights.

Mr Frank Roy (Motherwell and Wishaw) (Lab): Will the Minister publish an ongoing league table showing the number and percentage of people on the electoral register?

Mr Harper: Information about people on the electoral register is, I understand, already published by the Office for National Statistics. It is difficult to publish a league table showing the percentage of eligible voters, because no clear information is available about the number of eligible people in each parliamentary constituency. However, information on the number of people registered to vote in each area is regularly published by the Office for National Statistics.

Mr Robert Buckland (South Swindon) (Con): Can my hon. Friend assure me that all appropriate steps will be taken to reduce the risk of people falling off the register, and that registration officers will have all the tools available to them to ensure that registration is maximised in their local areas?

Mr Harper: I can give my hon. Friend that assurance. We have made a number of changes to the Bill to reflect the recommendations of the Select Committee on Political and Constitutional Reform, whose Chairman, the hon. Member for Nottingham North (Mr Allen), is in his place today. When colleagues on both sides of the House study the changes, they will see that we have taken all the steps to maximise the accuracy of the register and to ensure that no one eligible to vote falls off it in the transition.

Amber Rudd: How does my hon. Friend expect individual voter registration to help with efforts to get more disabled people and young people registered to vote?

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Mr Wayne David (Caerphilly) (Lab): If the Government wish, as they say, to have a complete and accurate electoral register, why are they pressing ahead with their individual electoral registration legislation before the results of the next round of data matching are known? Can it be because they are thinking about the parliamentary boundary review of December 2015?

Mr Harper: That is not the case. The hon. Gentleman knows that, based on the data-matching pilots we have already run, we think that there is good evidence that we will be able to confirm two thirds of voters who are already on the electoral register and move them over to the new one, assured that they are real people registered at those addresses. We will run more pilots later this year, subject to parliamentary approval of the orders, to test that proposition further and see whether there are any other lessons to learn. However, we are confident from the work that we have done so far that the process is robust.

Lobbying

6. Huw Irranca-Davies (Ogmore) (Lab): What plans he has to bring forward proposals on the regulation of the lobbying industry.

Mr Harper: I am very happy to agree with the first part of the hon. Gentleman’s question; the Prime Minister is, indeed, always right. On the second part of the question, the hon. Gentleman did not listen to my previous answer. I am not going to take any lectures from the Labour party, which did nothing on this subject. It is important to get this right. We have published the consultation document. He will know, from listening to what people have said publicly, that there are a range of views on how we deal with this. We are going to look at those consultation responses, publish our proposals and put them up for pre-legislative scrutiny, so that people can look at them, and we will legislate and deal with this matter in this Parliament, as we have committed to do.

Stephen Timms: The Minister still has not explained to us why the Government are dragging their feet. It was widely expected that this Bill would be in the Queen’s Speech and we have been told that the draft legislation is going to be available before long, so why not just get on with it and bring the legislation forward?

Mr Harper: Again, I remind the right hon. Gentleman that his party did nothing about this when in government. We will take one lesson from his Government: rushing forward with ill-considered legislation that then is not brought into force or which goes wrong when it is introduced and then has to be revisited is not a good way of legislating. We have published a number of Bills in draft so far, in the first Session of this Parliament, including the one dealing with electoral registration. That is a good way of legislating and it is generally supported across this House. It is better to get it right and do it well, rather than rush it and make a bodge of it.

Mr Christopher Chope (Christchurch) (Con): What is my hon. Friend doing to regulate that most destructive form of lobbying—that which comes from Liberal Democrat Back Benchers and is designed to undermine the economic recovery by arguing against the regionalisation of public sector pay and against the Beecroft report?

Mr Harper: Speaking for myself, I enjoy being lobbied by Back Benchers of all descriptions, be they Members from the Government parties or Opposition Members. I am very happy to listen to views. The Government will then move forward with their proposals on lobbying, based on the evidence and on the responses to our consultation.

Stephen Lloyd (Eastbourne) (LD): The Minister will know that there is considerable opposition on both sides of the Houses to any regulation on lobbying, and when giving evidence last week to a Select Committee, that we will deal with this issue, as we have committed to do, this Parliament.

Mr Crausby: The Prime Minister has already been proved right when he said that lobbying would be the “next big scandal” to happen, so why this delay? Does the Minister not agree that any failure to bring forward meaningful legislation will justifiably feed the public mistrust of politicians? Is it not time that we completely cleaned up this place?

Mr Harper: I am very happy to agree with the first part of the hon. Gentleman’s question; the Prime Minister is, indeed, always right. On the second part of the question, the hon. Gentleman did not listen to my previous answer. I am not going to take any lectures from the Labour party, which did nothing on this subject. It is important to get this right. We have published the consultation document. He will know, from listening to what people have said publicly, that there are a range of views on how we deal with this. We are going to look at those consultation responses, publish our proposals and put them up for pre-legislative scrutiny, so that people can look at them, and we will legislate and deal with this matter in this Parliament, as we have committed to do.
we all know why, certainly after 13 years of the Labour Government. However, will he confirm that the key is transparency? If the public know which politicians are meeting whom, it will be much harder for anything dishonourable to happen. I hope that that will be a key part of any announcement.

**Mr Harper:** The hon. Gentleman is right to focus on transparency. It is one reason why Ministers in this Government are much more transparent about those whom we meet than Ministers in previous Governments were—[Interruption.] It is no good the hon. Member for Rhondda (Chris Bryant) laughing; this Government are much more transparent about the meetings that Ministers have. Transparency is the key; that is where we have identified the problem and this is what we are going to solve with our proposals. As I said, it is important to get it right and get the job done, and that is exactly what we are going to do.

**House of Lords Reform**

8. **Steve Rotheram** (Liverpool, Walton) (Lab): What his policy is on upholding the principle of accountability in a reformed House of Lords.

**The Deputy Prime Minister (Mr Nick Clegg):** Members of a wholly or mainly elected reformed second Chamber will serve long non-renewable terms. Non-renewable terms of three electoral cycles have been a feature of cross-party reform proposals since they were agreed over a decade ago by the Wakeham commission in January 2000. This is why the idea was reflected in the draft Bill. It has since been endorsed by the Joint Committee, and we expect to maintain it in the Bill shortly to be brought before Parliament.

**Steve Rotheram:** It appears that the Deputy Prime Minister has the anti-Midas touch and that great opportunities for lasting constitutional reform have been squandered because of poor political judgment. What is the Deputy Prime Minister’s rationale for believing that those 15-year non-renewable terms for the second Chamber will renew democratic accountability? As a result, will Lords reform simply be another failed Lib-Dem coalition policy?

**The Deputy Prime Minister:** I know that the hon. Gentleman meticulously wrote his question before he listened to the initial answer, so perhaps he will listen to this one. As I said in my first answer, the idea of three non-renewable terms is not something invented by this coalition Government or the Joint Committee; it was first identified on a cross-party basis over a decade ago. That is why—quite sensibly, in the name of consensus and in pursuit of real reform—we are maintaining that proposal now.

**Jake Berry** (Rossendale and Darwen) (Con): If we are to have real reform of the House of Lords and to restore trust in politics, not only should the House of Lords be largely elected, but is it not now time to send the ermine up the motorway to one of our great northern cities, such as Manchester or Sheffield?

**The Deputy Prime Minister:** That is an excellent idea. We will include this novel proposal in our thinking. On a more serious note, all three main parties put before the country in May 2010 manifestos that committed us all collectively to House of Lords reform. If we are to honour our manifesto commitments, I think we should proceed quickly and swiftly.

**Mr David Winnick** (Walsall North) (Lab): Can the Deputy Prime Minister explain why so few of his own party’s Members in the House of Lords support his proposals? Indeed, Lord Ashdown is almost a lone voice. What is the explanation for that?

**The Deputy Prime Minister:** The power of a whiff of ermine on people’s opinions on reform of the House of Lords has never failed to amaze me. All I can say is that the manifesto commitments of the hon. Gentleman’s party, my party and the Conservative party were clearly in favour of completing this century-long debate on the reform of the other place. I think we should now get on with it.

**Laura Sandys** (South Thanet) (Con): When the Bill is published, will it come with a financial assessment of what will happen to the House of Lords if we do not reform it, and of what will happen once we get to, say, 2020, when we will have to equalise every time there is a change of government in this place?

**The Deputy Prime Minister:** We will, of course, publish the financial implications. The hon. Lady is right to highlight an issue that has not been given sufficient attention—how unsustainable the status quo is. Are people really comfortable with a second Chamber that will soon be composed of 1,000 or more members, in which more than 70% are there through nothing more than political patronage and in which they receive £300 tax-free just for turning up?

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): Given that the House of Lords is often seen as a lifeboat for ailing political careers, so that there are vested interests in this place that are very much against reform, will the Deputy Prime Minister lead by example and guarantee that, in the event of his attempts at reform being unsuccessful, he will not take up a seat in the Lords?

**The Deputy Prime Minister:** I certainly hope that my reform proposals will be successful.

**Mr Speaker:** I call Mr Peter Bone.

**Mr Speaker:** Order. The House needs to hear Mr Bone.

**Mr Bone:** Thank you, Mr Speaker. We have a very courageous Deputy Prime Minister, and may I urge him to continue with House of Lords reform, because he will be a national hero to the 8% who vote Liberal Democrat? On accountability, will he promise that there will be no programme motion so that this House can fully discuss these major constitutional reforms?
The Deputy Prime Minister: Ample time will be allowed, but we should keep this in proportion. This is not something that the vast majority of people in the country care about a great deal. That does not mean that the Government cannot do more than one thing at once, and I have to say to those, perhaps including the hon. Gentleman, who want to block up all parliamentary business because they object to this simple reform that the burden is on them to explain why they want to protect an unsustainable and indefensible status quo.

Topical Questions

T1. [108475] Ann McKechin (Glasgow North) (Lab): If he will make a statement on his departmental responsibilities.

The Deputy Prime Minister (Mr Nick Clegg): As Deputy Prime Minister, I support the Prime Minister on the full range of Government policies and initiatives. I take special responsibility for the Government’s programme of political and constitutional reform, including reform of party funding. Let me briefly update the House on that issue. I wrote to party leaders in February asking them to nominate representatives for cross-party discussions on party funding. Meetings took place on 11 and 30 April. Representatives are meeting again today, and will hold a further discussion next week.

We all know the parameters. This is not about reinventing the wheel. The Kelly report provides a sound basis for agreement. We simply need to demonstrate the political will to make progress, and I hope and expect that to be possible before the summer recess.

Ann McKechin: This week the Deputy Prime Minister spoke of the wasted talent in the country caused by the lack of social mobility, and I concur with his comments. However, given the direct link between poverty and some of the indicators that he will be using, such as birth weight, why are the Government pursuing cuts in welfare budgets? It has been a bad week for the Germans. First they are beaten by Chelsea, and then they get an economics lecture from the Deputy Prime Minister. Can he tell us why he is qualified to lecture anyone about economic policy when his Government have left us with a double-dip recession and 1 million young people looking for work?

Ms Harriet Harman (Camberwell and Peckham) (Lab): It has been a bad week for the Germans. First they are beaten by Chelsea, and then they get an economics lecture from the Deputy Prime Minister. Can he tell us why he is qualified to lecture anyone about economic policy when his Government have left us with a double-dip recession and 1 million young people looking for work?

The Deputy Prime Minister: The right hon. and learned Lady must be suffering from amnesia. Does she not remember how her Government sucked up to the City of London, went on a prawn cocktail offensive which let the banks off the hook and presided over increases in youth unemployment year after year after 2004, the biggest peacetime deficit ever seen in this country, and the largest decline in manufacturing—even larger than the decline in the 1980s? That is Labour’s record, and I am proud of the fact that we are trying to fix the mess that she left behind.

Ms Harman: When we left office, the economy was growing and unemployment was falling. Today the Deputy Prime Minister has been prancing around preaching about social mobility, which is frankly ludicrous when he is cutting tax credits for low-income families, providing a tax cut for millionaires, and scrapping an important measure designed to narrow the gap between rich and poor, namely clause 1 of the Equality Act 2010. It is always the same with this Deputy Prime Minister: he says one thing and does another. For all the difference that he makes in Government, he might as well be chillaxing or beating his own record at Fruit Ninja.

The Deputy Prime Minister: That was laboured even by the standards of the right hon. and learned Lady. She referred to the upper rate of income tax, and she is ranting and railing against the new 45p rate that we will introduce next April. Perhaps she can answer a simple question. Why did the Labour party maintain a lower tax rate of 40p in the pound for upper-rate earners for the 12 years and 11 months for which they were in office? I know that the right hon. and learned Lady does not like the 45p rate; perhaps she wants to advocate the rate that she maintained for most of her time in office.

Just today, Christine Lagarde of the International Monetary Fund thought “when I think back myself to May 2010, when the UK deficit was at 11%” —that was Labour’s gift to us— “and I try to imagine what the situation would be like today if no such fiscal consolidation programme had been decided... I shiver”. That is a judgment on the legacy of the right hon. and learned Lady.

Several hon. Members rose—

Mr Speaker: Order. We need brief questions and brief answers.

T4. [108478] Rehman Chishti (Gillingham and Rainham) (Con): Can the Deputy Prime Minister confirm that House of Lords reform was in the manifestos of all three main
political parties, and does he agree that it is absolutely right and proper that politicians should now keep to their promise and enact this much-needed reform?

The Deputy Prime Minister: Yes, I strongly agree that, as I have said, we should just get on with reforming the House of Lords with the minimum of fuss. I ask those who want to hold the whole of Government and parliamentary business hostage on this matter why on earth they think it is such a priority for the country that that business should be brought to a standstill. Given those manifesto commitments, we should work on a cross-party basis to finally complete reform of the House of Lords.

Mr Speaker: Barry Gardiner. Not here. I call Kate Green.

T5. [108479] Kate Green (Stretford and Urmston) (Lab): I did not hear the Deputy Prime Minister say anything about ethnic inequalities in his speech on social mobility this morning, yet black youth unemployment is twice that of white British young people, ethnic minorities are under-represented in apprenticeships and although increasing numbers are entering higher education, they are more likely to attend less prestigious universities. If the Deputy Prime Minister is serious about social mobility, does he agree that we need targeted policies to address ethnic inequalities in education and employment?

The Deputy Prime Minister: I certainly agree with the hon. Lady’s characterisation of the problem for many young people in our black and minority ethnic communities. It is one of the reasons why I have commissioned some work to look at the strong anecdotal evidence that it seems to be harder for young black and minority ethnic entrepreneurs to secure loans from banks on the same reasonable rates as others. That is just one issue among many that we need to address. However, I draw the hon. Lady’s attention to the fact that the targeted interventions that we are delivering—£8 billion on pre-school support for two, three and four-year-olds, a new free pre-school support package for all disadvantaged two-year-olds as of April next year, the pupil premium and so on —disproportionately benefit those who are disadvantaged in the communities to which she refers.

T11. [108485] Graham Evans (Weaver Vale) (Con): Last week we had some fantastic news: 700 new jobs at Ellesmere Port Vauxhall factory, making the new generation of Astras. Does the Deputy Prime Minister agree that that is a fantastic example of how flexible working can help rebalance the economy in the United Kingdom?

The Deputy Prime Minister: I strongly agree. That was a very important moment, as it underlines something that has been quietly building for some time: a real return to form for British manufacturing. The fact that as a country we are now exporting more cars than we are importing for the first time since the 1970s shows that, notwithstanding all the anxieties and concerns about the economic situation generally, this is an area of emerging strength for Britain.

T6. [108480] Grahame M. Morris (Easington) (Lab): May I refer the Deputy Prime Minister to an answer he gave a few moments ago, and ask whether he is aware that figures have been placed in the House of Commons Library this morning showing that public sector debt has risen from £12,500 per head in May 2010 to £16,200 per head in April 2012? Is this figure—[Interruption.] It’s higher. Is this higher figure a result of the Deputy Prime Minister having taken his eye off the ball by concentrating on Lords reform instead of getting on with jobs and growth and getting our 1 million young people back to work?

The Deputy Prime Minister: The reason for those figures is the shocking state of the public finances left by Labour. Today’s IMF report very precisely identified three reasons why the British economy still faces real headwinds: first, increasing global commodity prices last year, which was not something we could control; secondly, the uncertainties of the eurozone, which is also not under our control; and thirdly, the hangover of monumental public and private debt, which was, indeed, a debt crisis made in No. 10—the No. 10 of Gordon Brown, aided and abetted by the backroom boys, the current Labour leader and shadow Chancellor. It is they who created the crisis in the first place.

T14. [108489] Fiona Bruce (Congleton) (Con): Does the right hon. Gentleman agree that proceeding urgently and with vigour on the reform of political party funding is a matter of fairness and justice?

The Deputy Prime Minister: We all know that that is a problem for all political parties. The controversies and scandals about party funding, the opaque way in which it is organised and the imperfect way in which political parties are held to account has damaged all political parties. That is why it is overwhelmingly in our shared interest to come to an agreement. As I said earlier, it is merely a matter of political will. The Kelly committee has show in outline what the bare bones of an agreement should look like and I hope that we will now be able to reach one.

T7. [108481] Huw Irranca-Davies (Ogmore) (Lab): The Government have been taking a bit of a “pastying” in the west country recently and, as a result, we are told that the Deputy Prime Minister is listening—at least to the voices of his own MPs in panic. Will he also listen to the voices of Welsh workers at Talgarth Bakery, the Old Parish Bakery, Ferrari’s, Pin-it Pastry, Jenkins the Bakers and Peter’s pies and make a hasty—or should that be a “pastry”—retreat on the pasty tax?

The Deputy Prime Minister: That is Christmas cracker stuff from the hon. Gentleman. As I said earlier, we have extended the period of consultation on that issue. I recognise the strength of feeling about the issue from him and from many Members on both sides of the House. We have listened very closely to the representations of many figures in the industry and I hope that we will be able to make proposals shortly.

Martin Horwood (Cheltenham) (LD): On 10 May, Rosehill street in Cheltenham was devastated by a major gas explosion. Within 24 hours, 600 residents of Hatherley in my constituency had also been evacuated following a police explosives alert. Will the Deputy Prime Minister join me in congratulating the emergency services, the council and residents on their response to that unprecedented
combination of emergencies and send a letter of special support to the jubilee street party in Rosehill street, which is going ahead anyway in a great show—

Mr Speaker: Order. We are grateful to the hon. Gentleman. I do not want to guide the Deputy Prime Minister unduly, but I should say that there is no violation of parliamentary rules in offering the House an answer that consists of a yes or a no.

The Deputy Prime Minister: Yes.

T8. [108482] Bridget Phillipson (Houghton and Sunderland South) (Lab): Last week, the Deputy Prime Minister said:

“There is going to be no regional pay system. That is not going to happen.”

Are not his Government drawing up plans for precisely such a system?

The Deputy Prime Minister: No.

Zac Goldsmith (Richmond Park) (Con): Will the Deputy Prime Minister reassure the House that there was no reference to recall in the Queen's Speech because it has been sent back for a much-needed redraft and not because it has been dumped altogether?

The Deputy Prime Minister: As my hon. Friend will know, the Select Committee is still carrying out its inquiry on recall. I know that he recently gave evidence to the Committee on the subject and, in keeping with our approach to many other items on the constitutional reform agenda, we are keen to gather views and consult widely before we produce draft legislation.

T9. [108483] Kerry McCarthy (Bristol East) (Lab): The Deputy Prime Minister will know that Bristol has decided that it wants an elected mayor. Will he support the official Liberal Democrat candidate or the man who has just resigned his Liberal Democrat membership after 25 years because he thinks that being outed as a Lib Dem will sound the death knell for his political ambitions and is therefore standing as an independent?

The Deputy Prime Minister: I think the hon. Lady was trying to be stinging, funny or both, but I could not quite work out what the question was. It is up to the Liberal Democrats in Bristol, as it is to all political parties, to decide how to put forward candidates for mayoral elections.

Philip Davies (Shipley) (Con): Given the allegations of voting fraud in certain parts of the country, including in Bradford in my part of the world, will the Deputy Prime Minister explain why photo ID should not be required before people are allowed to vote?

The Deputy Prime Minister: In deciding the new individual voter registration system, with which we are proceeding with, I hope, cross-party support, we have looked exhaustively at the checks we consider necessary to bear down on fraud in the electoral system. That is the whole point of individual voter registration and it was right that the Government brought forward the timetable we inherited from the previous Government so that it is introduced sooner rather than later.

T10. [108484] Stephen Timms (East Ham) (Lab): Given the slow progress with the related legislation, will the Deputy Prime Minister tell us what share of the lobbying market is accounted for by companies that did not register with the UK Public Affairs Council? What will the penalty be for those companies that do not co-operate with the Government’s proposed statutory register?

The Deputy Prime Minister: I am afraid that I cannot give the right hon. Gentleman the statistic he asks for, but I will look into it and see whether I can provide it later. On his second point, we are consulting right now on that exact issue of penalties and sanctions.

John Stevenson (Carlisle) (Con): If we are going to give more power to the electorate by removing privilege and patronage from a reformed House of Lords and giving voters the power of election, will the Minister confirm that there is no compelling reason for a referendum?

The Deputy Prime Minister: I am personally unpersuaded that we should waste £100 million of taxpayers' money on an issue on which, unlike with electoral reform of this place, there is cross-party consensus, with manifesto commitments to reform from all three parties. I would take seriously advice from all those critics who say that we should not proceed with House of Lords reform at all. They claim that it is not an issue of significance to the British public, so I do not think we should waste a great deal of the public's money on a referendum when we all, nominally at least, agree that this reform should happen.

T12. [108486] Sheila Gilmore (Edinburgh East) (Lab): The Deputy Prime Minister has been quoted in the media as saying, rightly in my opinion, that social mobility will take a long time to change, so why, on coming to power in May 2010, did he agree to the reduction or elimination of measures such as the education maintenance allowance and Sure Start long before their long-term effects could be judged?

The Deputy Prime Minister: As I hope the hon. Lady knows, we have protected the money for Sure Start, but there is, I acknowledge, greater discretion for local authorities to decide how to use it. I am aware of 10 outright closures of Sure Start centres across the country, and of course it is important to know why local authorities have taken those decisions. I hope that she is also aware of the extra investment that we are now putting in, particularly for early years—for children even before they go to school. We know from the evidence that that makes the most dramatic difference for subsequent social mobility. As of April next year, 40% of all two-year-olds in this country, including all two-year-olds from the most disadvantaged families, will receive for the first time 15 hours of free pre-school support.

Mr Philip Hollobone (Kettering) (Con): Should there not be a civic duty on everyone to ensure they are on their local electoral register, and should that not be backed up by an enforcement system of civil penalties for those who do not?

The Deputy Prime Minister: Absolutely. We listened to many representations on this point when we considered what should be included in the Bill on individual voter
registration and we have indeed, as I hope he has noticed, included a civil penalty to ensure that the civic duty to register to vote is properly maintained.

T13. [108487] Dan Jarvis (Barnsley Central) (Lab): Following on from the G8 summit at the weekend, may I ask the Deputy Prime Minister how the plan to support the Afghan Government after 2014 will have the slightest prospect of success without real progress on problems of politics and governance, which, according to almost all reports, have got worse, not better, in recent years?

The Deputy Prime Minister: The hon. Gentleman makes a very serious point. Anybody who has visited Afghanistan or examined the conflict there will know that there was never any prospect of a military solution alone. In a sense, all that military intervention can do is create the space in which social and political stability can take root. I share his concerns that we are still some way from that. It is immensely important at this stage, as we are moving towards real transition in Afghanistan, that we include other countries in the region, notably Pakistan, so that they play their full part and bring their influence to bear in order that political stability can indeed take root in Afghanistan.

Stephen Williams (Bristol West) (LD): My right hon. Friend the Deputy Prime Minister mentioned in his speech this morning plotting the advances made by children on free school meals. Some of the schools in my constituency have more than 50% of pupils on free school meals. Will he undertake to increase the value of the pupil premium over the life of this Parliament so that the schools already making huge progress can build on their achievements so far?

The Deputy Prime Minister: The pupil premium is currently worth £1.25 billion, and that will double to £2.5 billion by the end of this Parliament. That is additional money on top of the baseline funding provided to schools. Last year, on a per pupil basis, the pupil premium was worth about £480. It is now worth £600 and will go on to increase. Given those statistics, it is remarkable that Labour in Manchester voted to scrap the pupil premium altogether. How on earth is that going to help social mobility?

Hazel Blears (Salford and Eccles) (Lab): In his speech on social mobility this morning, the Deputy Prime Minister said:

“It is my strongest political conviction that...if we have a chance to open up success to all, we must seize it.”

What is he going to do to put an end to the scandal of unpaid internships, particularly in politics, the media and our creative industries?

The Deputy Prime Minister: I pay tribute to the right hon. Lady’s work on internships, not least in this place. That should be remunerated, he or she should be remunerated. There are cases of interns doing work that falls outside that legal definition. Having looked closely at the issue, and she and I have corresponded on this, we have decided that it could be self-defeating if we sought to outlaw altogether across the piece—not least, for instance, in charities—some unpaid internships. I agree, however, that even in those cases, it is incredibly important to ensure that internships are available to everybody, and that basic costs, such as travel costs and lunch costs, are properly covered, even in those cases.

Mr David Nuttall (Bury North) (Con): When are we going to stop the constitutional scandal that, because of devolution, Scottish MPs can vote on legislation that affects my constituents but does not affect their own constituents?

The Deputy Prime Minister: As the hon. Gentleman may know, the McKay Commission, established to look into the so-called West Lothian problem, is doing its work and will report by the end of the Session. I urge him to give evidence to that commission, perhaps, and certainly to follow its work closely.

Several hon. Members rose—

Mr Speaker: Order. I am sorry to disappoint colleagues who have been standing. I say in a spirit of impartiality that the Deputy Prime Minister is box office. Lots of people want to ask questions and, sadly, there is not time to accommodate them all, but the right hon. Gentleman will return to his slot ere long, and colleagues can doubtless reheat their questions.

ATTORNEY-GENERAL

Human Trafficking (Prosecutions)

1. Mr Peter Bone (Wellingborough) (Con): How many prosecutions the Crown Prosecution Service brought for human trafficking in the last 12 months.

Mr Speaker: The Attorney-General was asked—

6. Keith Vaz (Leicester East) (Lab): What steps he is taking to increase the number of prosecutions for human trafficking.

The Attorney-General (Mr Dominic Grieve): The Crown Prosecution Service has charged and prosecuted 133 offences of human trafficking in the past 12 months, 1 May 2011 to 30 April 2012. The CPS prosecutes human trafficking-related cases under other legislation as well. The CPS is taking a number of steps to increase prosecutions, but is dependent on cases being referred for investigation by law enforcement agencies.

Mr Bone: We have another Minister at the Dispatch Box who is also box office. May I encourage him to look at the problem where police spend time, money and effort breaking up criminal gangs of human traffickers, only for the CPS to charge them with much lesser offences, getting shorter sentences that are no deterrent to the human traffickers? It is essential that we prosecute people for human trafficking. What can the Attorney-General do?
Oral Answers

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The Attorney-General: I agree entirely with my hon. Friend that it is important that the right offences should be prosecuted, and if he wishes to draw to my attention instances where he feels that has not happened, I am always prepared to take the matter up. It is also right to point out that in deciding how to prosecute, the Crown Prosecution Service will look very carefully at all the surrounding issues, including sometimes the vulnerability of the victim, and may on occasion consider that the best way in which the public interest can be served is in prosecuting a lesser offence, but the principle must always be that the offence charged and prosecuted should meet the gravity of the crime.

Keith Vaz: I agree with the hon. Member for Wellingborough (Mr Bone) and pay tribute to him for the work he does in this area. Some 100,000 people are trafficked around Europe every year. This is a cross-border crime that requires cross-border co-operation. What steps is the Attorney-General taking through the Crown Prosecution Service and the Metropolitan police to work with Interpol and Europol to find the perpetrators of this cross-border crime and make sure that they are brought to justice? It must be done on an international basis.

The Attorney-General: I agree entirely with the right hon. Gentleman. It is indeed an international crime. Within the European Union there are CPS liaison magistrates in other countries, the European Judicial Network contacts, the Serious Organised Crime Agency liaison officers and Eurojust to assist. Outside the EU the position is more complicated, but we have some liaison CPS working in a number of countries with which we have particular important links. The right hon. Gentleman will be aware that under the Protection of Freedoms Act 2012, the extraterritoriality provisions provided for in EU directives have been implemented, although they have not yet been brought into operation, so that these offences can now be prosecuted here even if they were committed abroad. Ultimately, the CPS will be dependent on the evidence produced to it. That will be derived from the police or SOCA, and for those reasons, the CPS, while doing its best, will always continue to be dependent on the quality of the information it gets.

Tom Brake (Carshalton and Wallington) (LD): Does the Attorney-General agree that just as the CPS must increase the number of prosecutions against people guilty of human trafficking, it must also stop prosecuting those who have been trafficked, such as in the case of AVN?

The Attorney-General: Yes, I agree entirely with the right hon. Gentleman. As he knows, the CPS has a process in operation, which has been echoed by the Home Office, to provide protection for those who have been trafficked. He will also be aware that, with the encouragement of all political parties, the previous Government signed up to providing protection against deportation for those who had been trafficked.

Dr William McCrea (South Antrim) (DUP): As the tragedy of human trafficking crosses all regions of the United Kingdom, what recent discussions have been held with the devolved Administrations?

The Attorney-General: I agree entirely with the hon. Gentleman. The best thing I can do is write to him. I am perfectly aware that the CPS liaises extensively with the CPS in Northern Ireland and the Lord Advocate’s Department in Scotland, and I will provide him with that information.

Rape Allegations

2. Yvonne Fovargue (Makerfield) (Lab): If he will take steps to increase the public profile of the work of the Crown Prosecution Service on allegations of rape made by young women.

The Solicitor-General (Mr Edward Garnier): The CPS and the specialist rape and serious sexual offences teams in every CPS area take all allegations of rape against every age group very seriously, and as a matter of general principle are keen that their work should be given the highest possible public profile. That said, they and the police have to make a judgment in each case about whether and to what extent to give publicity to it pre-trial, because quite apart from the laws of contempt and those prohibiting the identification of victims, the victim is entitled to be spared as much as possible any additional trauma beyond that caused by the rape itself.

Yvonne Fovargue: The conviction last month of Kabeer Hassan and another man for rape and conspiracy to engage in sexual activity with a child calls into question the original CPS decision not to charge the men because the young woman was deemed not to be a credible witness. Does the Solicitor-General share my concern that the CPS’s original decision sends out a very dangerous message to other young victims of rape that they will not be believed?

The Solicitor-General: If there is any good news to be had out of that terrible case, it is that the chief Crown prosecutor for the north-west, Mr. Nazir Afzal, revisited that decision, overturned it and ensured that the defendants were prosecuted, and prosecuted to conviction. I hope that the hon. Lady will be pleased by the result of that case.

Mrs Helen Grant (Maidstone and The Weald) (Con): Does the Solicitor-General agree that the increased number of rape crisis centres opened by the Government helped to increase the number of rape prosecutions?

The Solicitor-General: Yes. It will be one of the many factors that have done so, and I hope that we will see them being better used and with greater efficiency in future.

Mr David Burrowes (Enfield, Southgate) (Con): The Solicitor-General will be aware that high profile cases often attract resources and, in particular, early involvement of the prosecution. Can he ensure that victims of rape get similar attention and profile?

The Solicitor-General: Yes, I can. The specialist rape prosecuting teams and the specially trained police officers, as well as witness care units run by the CPS, are now working well together to ensure that rape victims receive the proper treatment they need.
Forced Marriage (Prosecutions)

4. Mr Stephen Hepburn (Jarrow) (Lab): What recent assessment he has made of the effectiveness of prosecutions for forced marriage. [108453]

The Solicitor-General (Mr Edward Garnier): None personally, but the Home Office recently concluded its public consultation on forced marriage and the Prime Minister has announced our intention to sign the Council of Europe’s convention on preventing and combating violence against women and domestic violence, which will require us to criminalise forced marriage. Currently, in this jurisdiction there is no specific crime of forced marriage, and offences within that term are prosecuted under, for example, the Offences Against the Person Act 1861, the Sexual Offences Act 2003, or other suitable statutes.

Mr Hepburn: Every year in this country, thousands of children are subjected to the cruelty of forced marriage. The Government are quite right in what they say and they will act against this, but nothing at all was mentioned in the Queen’s Speech. Can the Solicitor-General tell us exactly when we will have a Bill in this House so that we can outlaw this barbaric practice 100%?

The Solicitor-General: No, I cannot say precisely when we will have a Bill to outlaw this barbaric practice, but I can assure him that our signing of the convention will lead inexorably in that direction.

Bob Blackman (Harrow East) (Con): Can my hon. and learned Friend inform the House what penalties are envisaged for this terrible crime once it is made a criminal offence?

The Solicitor-General: No, but the penalties will be quite severe. The only guidance I can give my hon. Friend is to look at the penalties imposed under existing convictions. For example, last year there were 42 prosecutions for forced marriage under the various statutes I have referred to, a number of which led to quite lengthy sentences.

Crown Prosecution Service Employees (York)

5. Hugh Bayley (York Central) (Lab): How many employees the Crown Prosecution Service has at (a) Athena house, York and (b) other locations in York. [108454]

The Attorney-General (Mr Dominic Grieve): The Crown Prosecution Service has 65 employees at Athena house and 125 staff based at United house in York.

Hugh Bayley: Has the CPS consulted North Yorkshire police and the courts in York and Selby on the impact of moving staff from Athena house on administrative costs for those two bodies? If the staff have to be moved from Athena house, would not it be practical to relocate them to the offices in central York where the other York-based CPS staff are based?

The Attorney-General: Yes. As the hon. Gentleman might be aware, a consultation is taking place. An informal consultation procedure has now ended and a formal consultation procedure on any final decision on Athena house will follow. The argument for relocating a large part of the casework units to Leeds, in my judgment, cannot be argued against because, with the reduction in numbers resulting from the savings that have to be made, maintaining critical mass and having a regional hub makes sense, but I would like to reassure him that the need to maintain a presence in York is also accepted, because of its importance as the headquarters of North Yorkshire.

Mrs Anne Main (St Albans) (Con): Order. If the hon. Lady’s intended supplementary question refers to York, it will be in order. If it does not, it will not.

Mrs Main: Staffing numbers are a huge concern in the CPS. Will the Solicitor-General meet me to discuss what impact that might have had on the case of Mrs Swarnapali Timmann, who is concerned—

Mr Speaker: Order. Does the question relate to York or other locations in York?

Mrs Main: It may do.

Mr Speaker: And it may not. The hon. Lady has got her point on the record, but it requires no answer. [Laughter.] I am glad that the House is in such a good mood.

Interpreters (Prosecutions)

7. Nic Dakin (Scunthorpe) (Lab): If he will assess the effect on the cost of prosecutions of delays caused by the absence of an interpreter. [108456]

The Solicitor-General (Mr Edward Garnier): The CPS has no central records on the cost of court delays caused by the absence of an interpreter, but common sense tells me that such delays resulting from the absence of a necessary interpreter waste time and money.

Nic Dakin: Apparently, Jajo the rabbit is now a registered interpreter and translator. Does the Solicitor-General agree that that latest embarrassment illustrates the utter shambles that the contracting out of the interpreter and translator service has become?

The Solicitor-General: It was a joke and, even if it was not a joke, he has been deregistered.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What discussions is the Solicitor-General having with his colleagues in the Ministry of Justice to ensure that the contract provisions are carefully examined and, if necessary, penalties are imposed if the service is not up to the standard required?

The Solicitor-General: I am grateful to my right hon. Friend. I discussed that matter only this morning with colleagues in the Ministry of Justice and am assured by the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt), that the contract with Applied Language Solutions is now running properly. The company has got a grip on it and we can expect nothing but progress from here on.
Mr Speaker: So that we get the full benefit of the Solicitor-General's eloquence, perhaps he could—

The Solicitor-General: Shall I repeat the answer?

Mr Speaker: I do not think that that will be necessary, but perhaps in the future, the hon. and learned Gentleman would face the House. We would all be greatly obliged.

Mr Andy Slaughter (Hammersmith) (Lab): It is my pleasure to stand in for the shadow Attorney-General, my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry)—I understand that she has informed the Attorney-General, if not the Solicitor-General. Reports from the media, the courts and interpreters themselves show that, contrary to the Solicitor-General's briefing, problems with ALS are getting worse, not better. The MOJ intends to publish its analysis of ALS's performance this week, based on data that I understand were collected by ALS itself. Will the Law Officers conduct their own investigation of the collapse of the interpreting and translating service in our courts, one that will put the interests of justice before the self-serving interests of the Ministry of Justice and its contractor?

The Solicitor-General: No, I genuinely do not believe that to be necessary, and I think that the hon. Gentleman has been misinformed. The ALS contract is working well. If he knows of any particular instances where it is not, no doubt he will tell the Ministry of Justice about them, but I think I am prepared to believe my hon. Friends in the MOJ a little bit before I believe him.

Stephen Phillips (Sleaford and North Hykeham) (Con): What mechanisms exist for the CPS to communicate concerns with regard to the quality of interpretation both to the Law Officers and, indeed, to the Ministry of Justice?

The Solicitor-General: The CPS can tell us; my hon. and learned Friend can tell us; he can tell the Ministry of Justice; we can tell the Ministry of Justice—[Interruption.]

Mr Speaker: The demeanour of the Solicitor-General is eccentric. I cannot account for how he performs in Her Majesty's courts, but in the Chamber it would be helpful if he looked in the direction of the generality of Members.

Police (Criminal Allegations)

8. Ann Clwyd (Cynon Valley) (Lab): What recent discussions he has had with the Director of Public Prosecutions on the Crown Prosecution Service's handling of criminal allegations against police.

9. Grahame M. Morris (Easington) (Lab): What recent discussions he has had with the Director of the Serious Fraud Office about the future of that organisation.

Mr Robert Buckland (South Swindon) (Con): Without going into specific case details, I must ask: does not recent adverse publicity about the incompetence of the Serious Fraud Office call into question the integrity of fraud investigation in our country? Is it not a matter of utmost importance that we should address urgently?

The Solicitor-General: Although, with the greatest respect, I do not entirely accept the premise of all my hon. Friend's question, I can assure him that the Serious Fraud Office is pursuing investigations and prosecutions with competence and vigour. I appreciate that Lord Justice Thomas has had some interesting things to say about the SFO in a current case, upon which I shall not comment further.
Point of Order

3.33 pm

Mr Denis MacShane (Rotherham) (Lab): On a point of order, Mr Speaker. In Deputy Prime Minister’s questions, there was an exchange about something called a Fruit Ninja. Sir, I do not know whether you know what a Fruit Ninja is, or whether it is a parliamentary expression as defined by “Erskine May”, but, given that apparently the Prime Minister spends an awful lot of time with one, can we all be given one so that we can understand what he is up to?

Mr Speaker: Well, I plead ignorance myself. I am not familiar with the thing or practice concerned, but I am comforted by the knowledge that I share that ignorance with one so learned as the right hon. Member for Rotherham (Mr MacShane). Sadly, his intervention, whatever its merits, did not constitute a point of order.

Privilege

Mr Speaker: We come now to the main business. As I advised the House yesterday, the hon. Member for Maldon (Mr Whittingdale) has tabled a motion for debate on a matter of privilege which I have agreed should take precedence today. To move the motion, I call Mr John Whittingdale.

3.34 pm

Mr John Whittingdale (Maldon) (Con): I beg to move, That this House notes the conclusions set out in chapter 8 of the Eleventh Report from the Culture, Media and Sport Committee, Session 2010-12, on News International and Phone-hacking, HC 903-I and orders that the matter be referred to the Committee on Standards and Privileges.

Let me begin, Mr Speaker, by thanking you for granting precedence to this motion, which I move on behalf of all the members of the Culture, Media and Sport Committee. I am aware that the motion is unusual, if not almost unprecedented in modern times, but as the Committee set out in the conclusions to our report, we believe that the integrity and effectiveness of Select Committees relies on the evidence that we are given being given truthfully and completely. We therefore regard the finding of the Committee that we were misled by specific individuals as an extremely serious matter, and we think it only right that it should be brought to the attention of the whole House of Commons and referred to the Committee on Standards and Privileges. I apologise for throwing this hot potato into the lap of the right hon. Member for Rother Valley (Mr Barron), but I think that it is important that his Committee consider this matter, first, to establish whether my Committee was indeed misled in the evidence that it was given; and secondly, to deal with the perhaps rather more difficult question of what Parliament should do in response.

It might help the House if I briefly describe the events that have led to this afternoon’s debate. At the beginning of 2007, the Culture, Media and Sport Committee decided to hold an inquiry into the self-regulation of the press. Three events triggered that decision. The first was the harassment of Kate Middleton—then a commoner, now the Duchess of Cambridge—that was felt to go well beyond what was acceptable.

The second issue was the publication by the Information Commissioner of his report “What price privacy now?”, at the end of 2006. In that report, he published details of the very large number of journalists working for a wide variety of publications who had employed the services of Steve Whittamore, a private investigator who was subsequently convicted for illegally breaching the police national computer and the driver vehicle licensing database in order to obtain information. Although no prosecutions of the journalists were brought, there was certainly a widespread suspicion that many members of the press had been involved in what appeared to have been illegal activity.

The third matter that the Committee decided we needed to consider was the conviction, just a few months previously, of Clive Goodman, the royal editor of the News of the World, and Glenn Mulcaire, a private
investigator, who were found to have conspired to intercept communications without lawful authority. On that third specific issue, the Committee took evidence from the then chairman of News International, Mr Les Hinton. During our evidence, I put this question to him:

“You carried out a full, rigorous internal inquiry, and you are absolutely convinced that Clive Goodman was the only person who knew what was going on?”

Mr Hinton replied:

“Yes, we have and I believe he was the only person, but that investigation, under the new editor, continues.”

In the absence of any evidence to the contrary, the Committee had to accept the assurance that we were given, but we did make some fairly strong comments about the culture that had allowed payments to be made by Clive Goodman without any apparent authority from the management of News International. However, although we concluded that we had not seen evidence that proved otherwise, I think we all heard alarm bells ringing, since we were very much aware that Glenn Mulcaire had been convicted of hacking into the telephone voice messages of Mr Max Clifford, Mr Sky Andrew, Mr Gordon Taylor, Ms Elle Macpherson, and the right hon. Member for Bermondsey and Old Southwark (Simon Hughes), none of whom had any obvious connection with the royal family. Yet we were told that the only person at the News of the World who had any knowledge or involvement was the royal editor. There was therefore certainly a suspicion in our minds that the phone hacking may have gone much wider than we were led to believe.

During 2009, two years later, the Committee conducted an inquiry into press standards, privacy and libel. During that inquiry, in July 2009, The Guardian reported that News Group Newspapers had paid more than £1 million to settle privacy cases that had been brought by Gordon Taylor, one of those on the charge sheet for Glenn Mulcaire, and by Jo Armstrong and a lawyer, all of whom were involved in football matters. We decided that the size of that settlement was so large that it cast doubt on the previous testimony that we had received. On that basis, we decided to reopen our inquiry.

That decision, and certainly the report that appeared in The Guardian, was vigorously attacked by News International to such an extent that when we summoned the editor of The Guardian and the journalist who had written the story, Mr Nick Davies, to appear before us, they responded by providing the Committee with certain documents. In particular, there was a contract between Glenn Mulcaire, the private investigator, and Greg Miskiw, a senior executive on the News of the World, and what has become known as the “For Neville” e-mail. That was a heavily redacted transcript of an exchange that took place between Gordon Taylor and Jo Armstrong on their voicemails.

To us, that clearly suggested that others had been involved. We therefore took evidence during the course of our inquiry in 2009 from quite a number of senior executives of News International, including Tom Crone, the legal manager; Colin Myler, the then editor of the News of the World; Andy Coulson, the managing editor; and Les Hinton, the executive chairman. Mr Crone told us that he had become aware of the e-mail in April 2008, but in his evidence to us he suggested that an investigation had found little real evidence that it had gone any further. His implication was certainly that it did not amount to much. As we commented in our report:

“In summary, Mr Crone’s investigation, he said, had established that nobody remembers the ‘for Neville’ email, apart from Mr Hindley”

the journalist who took the transcription—

“who could not remember what he did with it.”

We went on to note:

“In spite of the allegations contained in the Guardian, the News of the World has continued to assert that Clive Goodman acted alone. Les Hinton, the former Executive Chairman of News International, told us: ‘There was never any evidence delivered to me that suggested that the conduct of Clive Goodman spread beyond him.’”

Simon Hughes (Bermondsey and Old Southwark) (LD): I thank the hon. Gentleman not just for his work and that of his Committee but for the measured way in which he is putting the case.

May I make it quite clear—this is in the public domain, so I am not breaching any prospective prosecutions—that there was substantial evidence, at all material times soon after the arrest of the two people who were subsequently convicted, that a series of other people at higher levels in the same newspaper had been involved, because they had been told what was going on? That is now in the public domain, and some of us believe that that knowledge cannot have been limited to those who were named in the documents seized by the police. It must have been held more widely.

Mr Whittingdale: I hope that the full facts will continue to emerge, not just through the work of the Committee but through that of Lord Justice Leveson and the police investigation and the possible charges to follow. I have to say that the Committee reached that conclusion in our work. Initially, it was suggested that the “For Neville” e-mail might have been going to any old Neville in the News of the World. We made inquiries and discovered that in fact there was only one person called Neville in the employment of the News of the World, and he was its chief reporter. Therefore, in 2009 the Committee concluded:

“Evidence we have seen makes it inconceivable that no-one else at the News of the World, bar Clive Goodman, knew about the phone-hacking”.

In relation to the previous assurance about the rigour of the inquiry, we said:

“The newspaper’s enquiries were far from ‘full’ or ‘rigorous’, as we—and the PCC—had been assured. Throughout our inquiry, too, we have been struck by the collective amnesia affecting witnesses from the News of the World.”

We published that report and nothing happened. It is perhaps a matter of regret that no further action was taken for another two years. However, evidence then started to emerge from the civil cases being brought by the victims of phone hacking, which led to the initiation of Operation Weeting—the police inquiry—and an Adjournment debate introduced by the hon. Member for Rhondda (Chris Bryant), in which he suggested that the Committee had been misled. Those events, plus the conclusion of James Murdoch to close the News of the World and to make a statement saying that the evidence and statements given to Parliament were wrong, caused the Committee to decide to reopen the inquiry.
We took evidence from a wide range of people, including John Yates, then of the Metropolitan police, Rupert and James Murdoch, Rebekah Brooks, Jonathan Chapman, Daniel Cloke, Tom Crone, Colin Myler, Les Hinton and Julian Pike. We were assured at the time that News International was extremely keen to co-operate with the Committee and to establish the facts, but during the course of our subsequent inquiry three crucial documents emerged. It is worth noting that none were supplied to the Committee by News International, and that they actually came from various lawyers acting for the personalities involved.

The first document was the letter sent in March 2007 by Clive Goodman to Les Hinton, the then chairman, objecting to his dismissal. The reason Clive Goodman gave for his objection to his dismissal was as follows:

“This practice [phone hacking] was widely discussed in the daily editorial conference, until explicit reference to it was banned by the Editor. The legal manager, Tom Crone, attended virtually every meeting of my legal team and was given full access to the Crown Prosecution Service’s evidence files. He, and other senior staff of the paper, had long advanced knowledge that I would plead guilty.”

The second document we obtained was an internal e-mail sent from Tom Crone to Colin Myler before a meeting with James Murdoch to discuss the terms of the settlement with Gordon Taylor. The e-mail states that “this evidence, particularly the e-mail”—the “For Neville” e-mail—“from the News of the World is fatal to our case.”

Tom Crone went on to say:

“Our position is very perilous. The damning e-mail is genuine and proves we actively made use of a large number of extremely private voicemails from Taylor’s telephone in June/July 2005 and that this was pursuant to a February 2005 contract.”

Of course, that was written almost a year before Mr Crone appeared before the Committee and suggested that the “For Neville” e-mail was of no real significance because they could not remember where it had gone or find any record of it.

The third document was the opinion obtained by Michael Silverleaf QC, who advised News Group Newspapers that it should reach a settlement because, as he said:

“there is a powerful case that there is (or was) a culture of illegal information access used at News Group Newspapers in order to produce stories for publication.”

The Committee, in its conclusions, comments on several specific issues that I will not go into in great detail, but they include such matters as the decision to authorise payments to Clive Goodman following his conviction; the importance of confidentiality in the size of the Gordon Taylor settlement; and the commissioning of surveillance of at least some members and former members of the Culture, Media and Sport Committee. These are matters that we describe in detail, and I hope that the Standards and Privileges Committee will also consider them.

Our overall conclusion was that the evidence that we had obtained made it clear that the evidence given to us in our previous inquiry, when the individuals involved had once again attempted to assure us that there was no real suggestion or evidence that anyone else at the News of the World was involved in phone hacking other than Clive Goodman, was not true. They certainly did have documents that indicated very clearly that that was not the case. It was for that reason that the Committee concluded that we had been misled by Les Hinton, Tom Crone and Colin Myler—

Philip Davies (Shipley) (Con): I commend my hon. Friend for the skilled way in which he has chaired the Committee over a long period, including during these very difficult inquiries, on which there was not always agreement. Will he just reiterate that, despite all the controversy over other parts of the report, on the chapter we are discussing today the Committee was united in finding that these people had misled the Committee, and there was no disagreement about any part of this chapter?

Mr Whittingdale: My hon. Friend is correct: on whether the three individuals whom I have just named misled the Committee we were unanimous in our finding. It is for that reason that I was very pleased that the Committee agreed to support the motion that I am moving.

We took evidence from other individuals, and the Committee deliberately decided that we would reach no conclusion on the evidence given to us by people who have since been arrested and could face criminal charges. The Committee reserves the right to return to that question once proceedings are concluded, but the three individuals we identified have not been arrested, and we therefore felt it was right that we should draw the conclusions that we have and bring them to the attention of the House.

We are under no illusion: these are serious matters. The conclusions we have reached bear profound consequences. I am not entirely clear what those consequences are, but there is no question but that these are very serious matters. It was also brought to our attention that those individuals should have a right to rebut the charges and to respond to them. We respected that, and we therefore felt that the right procedure was to refer the matter to the Standards and Privileges Committee, so that it had an opportunity to consider the evidence that led to our findings and to consider the responses that have already been given by two of the individuals named. On that basis, I ask the House to refer the Committee’s report and the evidence we received to the Standards and Privileges Committee.

3.54 pm

Mr Tom Watson (West Bromwich East) (Lab): I support the hon. Member for Maldon (Mr Whittingdale) in his recommendations. These are very serious matters and they mark a parliamentary milestone in an investigation that began in 2003, when my hon. Friend the Member for Rhondda (Chris Bryant) asked the now infamous question about payments to the police. Furthermore, as the hon. Member for Maldon said, this marks the beginning of the end of the role of the Culture, Media and Sport Committee in this inquiry, although obviously we have reserved the right to return to the other arrested members of News International.

The matter is not over for News Corporation, the police officers who failed to investigate properly back in 2006 or the computer hackers and other rogue private investigators whom some evidence suggests played a wider role. There are other investigations going on, but for now it is important that the Committee is united
and that the House unites to send this document to the
Select Committee on Standards and Privileges. I am
sure that other Committees will play a role, but we are
united in ensuring that the three people named receive
some form of parliamentary justice. The last thing we
want to do is interfere with the process of criminal
justice. I hope that the House can unite around the motion.

3.55 pm

The Leader of the House of Commons (Sir George
Young): I want to make a short contribution and to begin
by commending my hon. Friend the Member for
Maldon (Mr Whittingdale) and his fellow members of
the Culture, Media and Sport Committee for their
painstaking and at times challenging inquiry into News
International and phone hacking, building on the
Committee’s work in the last Parliament. I thank them
for their comprehensive report.

The motion is a narrow one inviting us to note the
conclusions of chapter 8 of the report and to refer it to
the Select Committee on Standards and Privileges. I
believe that this is the right course of action in the first
instance and I support the motion. The Committee
rightly observes:

“The integrity and effectiveness of the Select Committee system
relies on the truthfulness and completeness of the oral and
written evidence submitted.”

The Committee’s report contains four specific conclusions
relating to possible contempt, which are set out in
paragraph 275. The findings are, of course, disputed
vigorously by the individuals and organisation concerned.
Although it would be for the House itself to reach
a final determination on whether a contempt has been
committed and, if appropriate, to respond in the light of
any recommendations by the Standards and Privileges
Committee, it should do so on the basis of a full and
impartial consideration of the facts and appropriate
steps by that Committee.

Should the Standards and Privileges Committee conclude
that the Culture, Media and Sport Committee was
knowingly misled, it would be right for the Standards
and Privileges Committee to consider any appropriate
action, having regard to the House’s 1978 resolution to
use its penal jurisdiction in respect of non-Members as
sparingly as possible and only when the House is satisfied
that it is essential to act in order to provide reasonable
protection from improper obstruction causing or likely
to cause substantial interference with its functions. The
Committee on Standards and Privileges, which is chaired
with such distinction by the right hon. Member for Rother
Valley (Mr Barron) and whose members are accustomed
to the impartial consideration of complex and contested
issues, is well equipped for this role. The House should
concern itself today, therefore, with the specific question
whether to refer to the Standards and Privileges Committee
the issues identified in chapter 8 of the report. I believe
it should, and I support the motion.

3.58 pm

Ms Angela Eagle (Wallasey) (Lab): I echo the comments
of the Leader of the House by paying tribute to the
Culture, Media and Sport Committee for its significant
work on the ongoing, complex and important matter of
News International and phone hacking. Throughout its
long inquiry, the Committee has been chaired admirably
by the hon. Member for Maldon (Mr Whittingdale), and
his Committee has pursued its inquiries in a commendable
and dogged fashion. Just as the Treasury Select Committee
pursued its inquiries into the banking crisis, so the Culture,
Media and Sport Committee has pursued its investigations
into the media crisis. I know the work has been exhaustive
and exhausting for the members of the Committee, past
and present, and the House staff supporting them, and
once more I pay tribute to all involved.

Members will be well aware of the context of this
report, which the hon. Member for Maldon has just set
out. The Committee’s inquiry began in the last Parliament
and has taken place against a background of rapid
external developments. Despite the challenges, it is a
tribute to the Committee that it has produced its report
in spite of the ongoing police investigation and the Leveson
inquiry. Lord Justice Leveson’s inquiry, which we expect
to report in the autumn, will be of great importance. We
are inevitably constrained in what we can say today,
given the context, but the House will have further
opportunities to debate the wider issues. The motion
before us is therefore a narrow one, as the Leader of the
House has just told us.

From their introduction in 1979, Select Committees
have had the power to send for persons, papers and
records. They have relied largely on written and oral
evidence to perform their duties. Over more than two
decades, and during hundreds and hundreds of separate
inquiries, Select Committees have ably and satisfactorily
used mainly informal powers to ensure that they can
access the evidence they need. However, we should not
forget the purpose of such inquiries: Select Committees
exist not just to hold the Government to account and to
examine in detail the implication of Government bodies
and policies, but to shine a light across the public realm.
The powers of the House are for a purpose: to enable
Parliament, on behalf of our constituents, to hold the
powerful to account. Today the Select Committee system
works well, but it would not if witnesses felt they could
mislead a Committee without consequence.

Although Committees rarely take evidence on oath,
the House of Commons 2011 guidance for witnesses
giving evidence to Select Committees is clear. It states
that witnesses are expected to answer fully, honestly and
truthfully, and:

“Deliberately attempting to mislead a committee is a contempt
of the House”.

The Culture, Media and Sport Committee concludes, at
paragraphs 274 to 280, that three individuals—Les Hinton,
Tom Crone and Colin Myler—and, corporately, News
International and the News of the World misled Parliament
in their evidence to the Committee. Under these
circumstances, it is right that the matter be referred to
the Standards and Privileges Committee for further
investigation and consideration. We should not seek to
pre-judge or second-guess the work that the Standards
and Privileges Committee may undertake, under the
able chairmanship of my right hon. Friend the Member
for Rother Valley (Mr Barron). It is enough that we agree
today to refer this important matter to that Committee,
which is why the Opposition support the motion.

4.2 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a
privilege to speak in today’s debate, and I wholly endorse
the motion before the House today. It is fair to say that
the Culture, Media and Sport Committee was absolutely united in saying that Les Hinton, Tom Crane and Colin Myler had misled Parliament. That was evidenced by just one aspect of an external lawyer's perspective. Julian Pike from Farrer & Co. affirmed that Parliament had been lied to when responding to a question from the hon. Member for Newcastle-under-Lyme (Paul Farrelly). When asked by the hon. Gentleman, “When did you first know about the evidence given to this House?”, he answered, “At the moment they said it, back in 2009.” Such affirmations from external parties give confidence to members of the Committee on the conclusions reached in our report.

In preparing our report, we were advised not to take on the principle of lawyers, in serving their clients, not having regard to allowing falsehoods to be perpetuated, but instead to accept that lawyers are there to serve their clients. However, we all have to show personal leadership. I wonder at times whether lawyers should take a look in the mirror—individually and, as the legal profession, collectively—and decide to take a certain view on these ethical matters, including whether they wish that position to continue to be part of their ethical code.

I think it is fair to say that the Committee was not entirely united on chapter 8, owing to the fourth point in paragraph 275. However, we all accept the established principle of vicarious liability, and that the company should accept responsibility for what happened in that terrible time.

As I have stated before, News International will have a long time to regret not taking action after our excellent predecessor Committee's 2009 report—as it now appears to be doing through its internal management and standards committee. I point to paragraph 278. Parliament—our Select Committee—was careful to try not to trample on criminal proceedings, for which we could not have been forgiven. However, we should reflect on the fact that it is thanks to parliamentary privilege that we were able to uncover and bring certain information through to Parliament that the Leveson inquiry would not have been able to bring. It is not acceptable to evade the truth—end of story.

As the hon. Gentleman has adduced that nobody has made any difference in terms of criminal proceedings.

Dr Coffey: The hon. Gentleman is perhaps more experienced in parliamentary practice than I am, but I am not of the opinion—this has not been presented to our Committee, as far as I am aware—that that would have made any difference in terms of criminal proceedings.

Kevin Brennan rose—

Dr Coffey: I do not wish to give way further, because I know that other hon. Members want to speak on this topic, as the hon. Gentleman may want to do.

We are the Parliament of the people and we should not be lied to—end of story.

4.7 pm

Chris Bryant (Rhondda) (Lab): I, too, pay warm tribute to the Chairman of the Committee, the hon. Member for Maldon (Mr Whittingdale), because this task has been particularly difficult, not least because it has followed on from previous inquiries, not only while he has been Chairman, but carried out when my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) chaired the Committee.

This is a debate about privilege, and I always think that the word “privilege” is an unfortunate one to use in relation to Parliament, as I am sure would most voters. The truth is that we have not yet seen all the evidence. It is important to note that, precisely for the reasons that the hon. Gentleman has adduced that nobody has wanted to trample on the toes of a criminal investigation, we are so far—this is true of Leveson as well—seeing only the tip of a very large iceberg. The issues that have been presented to us in the report refer to just three people, but more than 40 have been arrested and there may be further arrests yet.

When the whole story has come out, as I hope it will eventually, I think this instance will prove to have been one of the most flagrant examples of contempt of Parliament in Parliament's history. It was not just one person at one time or one organisation for a brief period of time; a series of people systematically and repeatedly lied so as to protect themselves, to protect their commercial interests and to try to make sure that they did not end up going to prison. They did that.
knowing fully that they were telling lies to Parliament, and I believe that that is a fundamental contempt. If we look through the history of Parliament, it is difficult to find a moment when there was such a concatenation of deliberate abuses—contempt of Parliament. That is why we need to take this moment very seriously.

There was covert surveillance of Members of Parliament, deliberately to intimidate them in going about their duties. That applied particularly to members of the Committee. As we know, the right hon. Member for Bermondsey and Old Southwark (Simon Hughes) had his phone hacked, as quite possibly did some four score others. Indeed, News International managed to turn the Metropolitan police into a partially owned subsidiary, whereby members of staff from one organisation were going to work for another and then coming back. [Interruption.] I note that some of my hon. Friends suggest that the subsidiary was not partially owned.

The important thing for us to decide is what we do about this. I think that everybody is agreed that something egregious and terrible has happened. The question is what we do now. The Government have published a White Paper on parliamentary privilege, and it seemed to me that the Leader of the House was trying to suggest to the Committee on Standards and Privileges that it should be very wary of using penal powers or recommending that penal powers should be used. The Scottish Parliament, however, has precise powers under section 25—I think—of the Scotland Act 1998; where people refuse to give evidence to a Committee of the Parliament or to the Parliament or where they lie to Parliament, they are liable to imprisonment for up to three months. That provision is not written into statute for us, but we should certainly consider it.

Perjury before a court attracts a maximum sentence of up to seven years’ imprisonment, and even perjury by making a false declaration in a statutory declaration is liable to a sentence of up to two years’ imprisonment. The factors considered when sentencing would be whether the lie was said just once, whether it was inadvertent or deliberate, the impact that the lie caused, whether there was more than one lie, and on how many occasions the lie was perpetuated.

Kevin Brennan: Further to my earlier intervention, does my hon. Friend remember the point of order I raised on this matter on 14 July 2011, when Mr Deputy Speaker confirmed that under the Parliamentary Witnesses Oaths Act 1871 and the Perjury Act 1911, Select Committees can require witnesses to give evidence under oath and make them subject to criminal charges of perjury if they are subsequently proved to have lied?

Chris Bryant: I do remember that point of order, which is why when my hon. Friend intervened on the hon. Member for Suffolk Coastal (Dr Coffey), I knew what he was going to ask her. It is a point that he rightly makes and has made repeatedly.

We are congratulating ourselves today on the Select Committee process bringing us to this point, but if the Select Committee process had worked better, we might have reached this point three years ago. The Select Committee might have been able to require Rebekah Brooks to give evidence in 2009 and it might have been taking evidence under oath from the very beginning. Then we would not have to decide what we should do about these people, as the courts would be doing so. If we were to apply all those elements of how to decide a sentence for perjury before a court to this case, I would have thought one of the lengthier sentences would be handed down. The same is true for contempt of court, which carries a sentence of up to two years’ imprisonment.

Dr Thérèse Coffey: I hear what the hon. Gentleman says, but does he accept that Select Committees do have the power of summons, which was in fact used during part of the current inquiry?

Chris Bryant: Yes, but Committees have quite often been rather tentative about using those powers. I remember discussing this with the hon. Lady in the Library, and she was uncertain whether that power existed—and I kept on telling her, “Yes, it does exist. It can be used. All we have to do is make sure that the Clerk of the House uses the proper processes.” It is important to remember that we have these powers and that they need to be used more effectively. For instance, it seems extraordinary that no member of the Murdoch family had ever given evidence to the Culture, Media and Sport Committee until the day on which Mr Rupert Murdoch and Mr James Murdoch were summoned last summer. I am sure that that was not because Committees did not want to interview the most important significant player in the British media landscape in this country.

As well as using such powers more effectively, we need to decide for ourselves that we have these powers. I know that there are those who say that we are not a High Court of Parliament anymore; that we are not a court. They say that we are not able to provide a fair tribunal, as the Human Rights Act or, for that matter, the European convention on human rights, might determine. So would it be possible for the House of Commons to make a determination in relation to any individual, for instance requiring that individual to be arrested and brought to the House? Some people think that the very idea of bringing someone to the Bar of the House is anachronistic.

We must have some powers to be able to do our job properly. We must be able to summon witnesses, and if they do not want to come here—as happened with the Maxwell brothers, and seemed at one point to be going to happen with the Murdochs—we must be able to send the Serjeant at Arms to summon and, if necessary, arrest them and bring them to Parliament. We need to be able to arrest. Most Members will not have been here on the occasion when the Chamber was invaded, but the Serjeant at Arms has to be able to arrest. It is quite a simple power.

Mr Whittingdale rose—

Mr Buckland rose—

Chris Bryant: I have a multiplicity of offers.

Mr Speaker: Order. Before the hon. Gentleman takes an intervention from the hon. Member for South Swindon (Mr Buckland), may I gently remind him that the narrow matter under consideration today is the question of whether to refer it to the Standards and Privileges Committee—to which subject I know that he is addressing himself?
Mr Whittingdale: I shall bear your warnings in mind, Mr Speaker, but the hon. Gentleman is raising matters that I think Parliament needs to consider. In particular, the Select Committee did decide to dispatch the Serjeant at Arms to serve a summons on Mr James Murdoch and Mr Rupert Murdoch after they had initially said that they were not willing to attend the Committee at the time when we had asked them to attend. I have to say, however, that we did so with some trepidation, because we genuinely had no idea what would happen if they maintained their refusal to come. That too is something that Parliament needs to think about.

Chris Bryant: I absolutely agree, but I also think that we should no longer live in an era of trepidation in this House. I think that we should step more boldly.

Mr Buckland: I entirely agree with the hon. Gentleman about being bold in regard to contempt of Parliament and how the House enforces its rules, but does he not share my sense of trepidation about involving the prosecuting authorities in dealing with any alleged lies that have been told to us? Does that not present a danger that the courts will be brought in to determine issues that are properly the province of this House and no other?

Chris Bryant: The hon. Gentleman has taken me into much wider subject matter, but he too is trepidating—if that is the verb from “trepidation”—and I do not want to trepidate. I want to step boldly.

I believe that the House, and the Select Committee itself, should consider, in terms, first whether or not the three individuals mentioned, and perhaps, corporately, News International, should be summoned to the Bar of the House. I believe that that must still be an important power available to the House. Secondly, I think that the House and the Committee should consider whether or not the individuals should be fined, not least because considerable expense has been incurred by Parliament and by the prosecuting authorities through the process of lying to Parliament. Thirdly, I think that it must be right for us to consider whether or not to imprison. If this had happened in the Scottish Parliament, it would have led to imprisonment. If it had been a contempt of court, it would have led to imprisonment. If it had been perjury in court, it would have led to imprisonment.

It has been said that some of these people are not in this country. What can we possibly do about it? The last person who was arrested and imprisoned by Parliament, in 1880, Charles Grissell, also fled the country. He went off to France, to Boulogne. The Speaker sent the Serjeant at Arms’s messenger to Boulogne, and when Charles Grissell came back to the country he was arrested and sent off to Newgate until the end of the parliamentary Session.

I simply think that we were hoodwinked. Indeed, for a long period politicians were so nervous and frightened of what the press would say about us that we effectively put the hoodwinks on ourselves. Now the temptation will be for the Committee to shy away from using any of its penal powers, and I think it a shame that that seemed to be the direction in which the Leader of the House was pushing it. I think that would be a profound mistake, because, surely to God, it is time we asserted the freedom of Parliament—in fact, the rights of Parliament. We must do so not for our own sakes—it is irrelevant for our own sakes—but simply because if Parliament is lied to, we cannot do our job on behalf of our constituents, and if Parliament is lied to and there is impurity thereafter, people will lie again, and then the democratic process unfolds.

4.20 pm

Damian Collins (Folkestone and Hythe) (Con): It is a pleasure to follow the hon. Member for Rhondda (Chris Bryant), and I join him and other Members in paying tribute to my hon. Friend the Member for Maldon (Mr Whittingdale) for the great care and skill with which he chaired what was a lengthy and challenging inquiry.

I want to address the key point that the hon. Member for Rhondda brought to our attention: there must not be any sanction for lying to a parliamentary Committee. However, although we may like reassuring ourselves about the traditions of this House and its rights, it is not clear what the sanctions should be. It is unclear whether someone giving evidence not under oath to a Select Committee has the same obligations as if they were under oath. The Committee obviously considered that before the Murdochs gave evidence to us last July. I believe it is very important that there are consistent procedures. There should not be some witnesses who are made to swear on the Bible and some witnesses who are not.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Are we not in danger of getting into a situation where all witnesses before Committees have to appear under oath? The vast majority of witnesses who appear before Select Committees do so willingly in order to give of their information and expertise, and these issues therefore do not arise.

Damian Collins: I agree, but it should be implicit that someone giving evidence to a parliamentary Committee is telling the truth. I therefore do not think there should be a separate group of people who are made to take an oath. It should be implicit in the act of their giving evidence that they are telling the truth and openly answering the questions asked by Members of Parliament. It must be built into the processes of our methods of inquiry, particularly in Select Committees, that witnesses will tell the truth and there is some form of sanction against them if it can be demonstrated that they have not done so.

At present, however, that is not clear. It is not clear what powers the Standards and Privileges Committee has to punish or recommend punishment. There may even be a question as to whether the recommendation of a penal sentence, as the hon. Member for Rhondda suggested, would itself be open to some form of legal
challenge in the courts, including the European Court, which may seek to overrule the House on any such decision. We therefore need much clearer guidance about the available punishments and the processes for summoning witnesses to appear before a Committee.

The Select Committee is posing an interesting challenge to the Standards and Privileges Committee, because in our conclusions in chapter 8 of the report we make recommendations about three named individuals—Colin Myler, Tom Crone and Les Hinton—in respect of instances where we believe they gave misleading evidence to the Committee. Members can read the report, the evidence given in previous sessions and the written evidence presented to the Committee, and thereby see that there are discrepancies in testimony and, I feel, clear evidence that we were given misleading testimony by those witnesses.

There is a second issue that the Standards and Privileges Committee must consider: the corporate guilt of News Corporation, as also expressed in the conclusions of the report, and what sanctions there should be against a company and its directors and representatives, as opposed to a named individual who has given misleading testimony to Parliament. This is an important issue, and my hon. Friend the Member for Maldon touched on it in his speech.

We must consider what in the evidence that was given has undone the News Corporation executives. They were not undone by a witness changing their story or a new witness giving evidence that was different from evidence given to our predecessor Committee in the last Parliament. They have largely been undone by documents that have always existed and were in the possession of the company, and which subsequently came to light as a result of the inquiry—by information that was always there and was always accessible to those executives, and that we believe they could, and should, have had access to. Indeed, we know that some of them—including Tom Crone and Colin Myler, who played a pivotal role in these investigations—did have access. We know that they had access to the Queen’s Counsel opinion suggesting that phone hacking and the use of illegal methods to obtain information was widespread. We know that information was received by the legal department of the company. We know that Clive Goodman suggested in his letter to Les Hinton that phone hacking was widely discussed within the company, and that that was rejected. We know that that information was known, and these executives have been undone by information that was neither presented to Parliament nor freely given but released as a result of cross-examination of witnesses by the Committee or released by lawyers or other people who chose to make it available to us. It would have been much better if the company, when it gave evidence last July, had provided that information. If the Murdochs had sought it themselves, they might have given us clearer and better evidence last July and we would have been able to conclude our inquiry somewhat sooner.

We were consistently given false reassurances about the rigour of internal investigation, the work that was done to uncover phone hacking and those who had knowledge of it. Indeed, we have received information from Surrey police that states categorically that the police discussed the hacking of Milly Dowler’s phone with executives at News of the World in 2002. That was not a minor discrepancy or new information that had recently come to light; the information was known by people within that company for a very long time. Parliament was misled over a long time by some of those people and I agree with the hon. Member for Rhondda that we will probably not get the full picture until the conclusion of the police investigation and any subsequent trials. I am sure that the Committee, next year or in future years, will wish to return to the matter and give the House a fuller picture of exactly what happened based on all the evidence that has come to light.

4.26 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): I congratulate the Chair of the Select Committee, the hon. Member for Maldon (Mr Whittingdale), on his excellent introduction. I agree very strongly with the hon. Member for Suffolk Coastal (Dr Coffey), who has just left the Chamber. Not a single member of the legal profession—not a single legal adviser to News International—has resigned their services when they knew that evidence that was being given to the Committee was false and misleading, and that is an issue for the legal profession to consider.

I will be brief, because I believe our report’s conclusions are clear and speak for themselves. Our Committee has pursued the issue of phone hacking and how it reflects on press standards for five long years and, sadly, because of the forthcoming criminal trials, this might not be the final word. As the House has already heard, so as not to prejudice any prosecutions, we have taken great care in what we have said.

The report is not just about phone hacking per se; it is about the integrity of the Select Committee system in Parliament. Two years ago, in our report on “Press standards, privacy and libel”, on the evidence we found it “inconceivable” that News International’s “one rogue reporter” defence could possibly be true. Yet on the same evidence, the Press Complaints Commission cleared the News of the World of wider wrongdoing and shot the messenger—The Guardian—instead. The PCC is, of course, now on the scrap heap, a bashed flush, waiting for Lord Leveson to pronounce and the Government—possibly—to act on the future shape of regulation.

After revelation upon revelation from the civil cases, last summer the then chair of the PCC, Baroness Buscombe, put her hands up. At long last, she was scathing about News International’s conduct and its so-called co-operation with PCC inquiries.

Mr Speaker: Order. I remind the House that the motion for debate is the question of whether to refer the Select Committee’s conclusions to the Select Committee on Standards and Privileges. As has already been indicated, it is perfectly legitimate to record and, in a sense, almost to report to the House the basic findings of the Committee and to offer to the House, as the Chair of the Culture, Media and Sport Committee did, the background to and context for our debate. That seems eminently reasonable, but this is not an occasion to rehearse all the issues, the evidence and the chronology of events that have led to where we are today. Although I do not in any sense seek to prescribe what people should say, there could be advantage in recalling the pithy observations of the hon. Member for West Bromwich East (Mr Watson).

Paul Farrelly: Thank you, Mr Speaker, and the background has been rehearsed well enough by the Chair of the Select Committee. I will now move on to
what the Committee did about the lies to us, which the Press Complaints Commission's chairman admitted when she said that there was only so much that the commission could do when people were lying to it.

Mr Speaker: Order. I just want to be clear that the hon. Gentleman has understood what I have said and intends to be guided by it. I presume that he is adding this material in support of the proposition that the report should be considered by the Standards and Privileges Committee.

Paul Farrelly: You are right, as always, Mr Speaker.

On the conclusions of the report that we are asking the House to note, if “collective amnesia” was the one phrase from our 2010 report that echoed long afterwards, I hope that our “wilful blindness” conclusion will be one of those that resounds with the Select Committee on Standards and Privileges this time. That is the wilful turning of a blind eye to wrongdoing, not just phone hacking, over a period of time as long as any repercussions could be contained through the exercise, if need be, of raw press political power.

We were invited to lay most, if not all, of the blame for the cover-up on just two executives through News International’s damage-limitation exercise—Tom Crone, the company’s long-time in-house lawyer, and Colin Myler, the new and final editor of the News of the World. In our report, after months of deliberation and very patient amendment, with very skilful chairing, we declined that very unappealing invitation. As we navigated the issue of possible prosecutions, we asked whether it could be right to find wanting just a few executives who had so far not been arrested. We wondered whether it would be right, based on the evidence, to limit a critical verdict in our report if not just to one rogue reporter or one rogue newspaper, to just one rogue subsidiary, News International. After careful deliberation, we decided that it would not be right.

During that time, the group’s founder, Rupert Murdoch, and his son James were directors both of the parent company, News Corporation, and of News International. At the same time, News International misrepresented the investigations it had actually undertaken and attacked the Select Committee remorselessly, and its executives authorised surveillance on certain members of the Committee. So, we found that it was important that the report, based on the evidence, drew a strong corporate conclusion about a culture that was set right from the top. I conclude by drawing the House’s attention to the final sentence of paragraph 275 on page 84 of the report:

“In failing to investigate properly, and by ignoring evidence of widespread wrongdoing, News International and its parent News Corporation exhibited wilful blindness, for which the companies’ directors—including Rupert Murdoch and James Murdoch—should ultimately be prepared to take responsibility”.

I commend the motion to the House.

4.32 pm

Louise Mensch (Corby) (Con): Following on from the excellent speech of the hon. Member for Newcastle-under-Lyme (Paul Farrelly), I am glad that the motion calls for us to “note” the report, because—it is worth beginning by saying this—three members of the Committee, of whom I was one, did not agree with the very last paragraph of the conclusions, particularly the wilful blindness allegations against James and Rupert Murdoch. Nevertheless, I support the motion as it is written, and I think it is important that we refer this matter to the Standards and Privileges Committee because that is the least worst choice before the House. Frankly, there is no ideal answer to the situation in which we find ourselves. Parliament is in a difficult position, but that does not mean that we should take no action.

We are here debating this motion because it is not usual for a witness before a Select Committee deliberately to mislead and lie to the Houses of Parliament. I must take issue with the hon. Member for Cardiff West (Kevin Brennan), who has inferred again and again that our Committee ought to have put witnesses under oath, after which, had they lied to us, they could have been charged with the common criminal offence of perjury. The Committee considered this issue very carefully indeed, but decided that it would be better for our inquiry not to take evidence under oath because certain legal privileges would not then kick in, which would allow witnesses to deny us certain information when we requested it and would allow their lawyers not to co-operate with us. The Committee decided that taking evidence that was not under oath would give us greater flexibility in our inquiry. The point has already been made that one does not wish to get into a situation in which, in order to protect the integrity of Select Committee proceedings, we routinely put every witness under oath. Indeed, it is part of the dignity of Parliament that there should be a simple assumption that there is a requirement to tell the truth to Parliament.

The hon. Member for Rhondda (Chris Bryant) adduced the example of the Scottish Parliament and the powers that exist within that Parliament to punish those who lie to it. There is another example currently taking place across the Atlantic, where the baseball player Roger Clemens is about to go on trial for contempt of Congress, for having misled Congress. It is alleged that Mr Clemens lied to the American equivalent of a Select Committee of Parliament in, I think, 2009, when under oath he denied taking steroids, the allegation being that he did indeed take steroids, that he misled Congress and that a contempt of Congress was committed.

Perhaps when we consider this jurisdiction, that may be one way for us to square the circle. I completely agree with the thesis of my hon. Friend the Member for Folkestone and Hythe (Damian Collins) that it cannot simply be the case that somebody lies to Parliament, sends a stiff letter to the Select Committee saying, “I don’t agree with your conclusions”, and that is the end of the matter. That cannot be acceptable. Nevertheless, we can all immediately see the problems inherent in the suggestion from the hon. Member for Rhondda that we should seek to imprison somebody without their being able to testify in their defence and without the legal protections that the European Court of Human Rights might demand in a procedure that was to terminate in imprisonment.

In America we see, perhaps, the way to square the circle. It is prosecutors who have brought the case for contempt of Congress. That will be tried within the courts system. We have determined that we have been lied to. A simple method, perhaps, would be that we
could refer the matter to the Director of Public Prosecutions and a trial could proceed on the basis that defendants would have all the protections of the court.

After the referral to the Standards and Privileges Committee, perhaps there should be a wider debate in the House about what punishments ought to exist for serious contempt of Parliament. In the American system, the case against Mr Clemens is not merely that he lied to Congress. There is also a materiality test, as the hon. Member for Rhondda noted. The lies told to the US Congress must materially have affected the investigation that was ongoing. In the case of the Select Committee, that test would manifestly have been passed, as lies of substance were repeatedly told us by lawyers who should know better. There is a test of proportionality built into the offence.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): The hon. Lady and others mentioned the situation in the Scottish Parliament. Depending how things evolve, the powers of the Scottish Parliament could be tested in the near future. I am concerned about the legal situation of witnesses who gave evidence via a video or conference link. Is that any different from witnesses who gave evidence face to face?

Louise Mensch: That is an interesting question. There ought to be no difference. People are testifying before the Parliament of the United Kingdom when they testify before a Select Committee, and Parliament has the right to expect that it is not materially lied to. In my opinion, the same sanctions should apply.

The whole House is familiar with the offence of contempt of court that is routinely used. Let us hope that it would not be so routinely used, but I believe an offence of contempt of Parliament ought to be created. It would be used only in the most exceptional circumstance and as with any other offence, it should be up to prosecutors to try it, and the protections of the court system and the defence system should kick in.

As the old joke says, I wouldn’t have started from here, yet that is where we are. We must rely on the Standards and Privileges Committee because there is nothing else for the House to do in the present circumstances. Perhaps we need to look at the wider powers of Parliament, the importance of Select Committee hearings, procedures for creating offences, and the material problem that Parliament has a right to be told the truth in serious inquiries, whether or not a witness is under oath. That is something that the House ought to consider in future deliberations. For now, I am delighted to commend to the House the motion to note and not to endorse the report. I trust that Members and others will respect the Committee’s decision, and will not try to engage Committee members in discussions about this inquiry.

Philip Davies (Shipley) (Con): I rise briefly to commend once again my hon. Friend the Member for Maldon (Mr Whittingdale) for the way in which he chaired what has been, at times, a challenging and difficult Committee, not just in this Parliament, but in the previous Parliament, when our conclusions were not always unanimous and we had a number of disagreements along the way. He, as ever, chaired the Committee expertly.

I would also like to take the opportunity to commend the other members of the Committee. We did not always agree on these matters, but everybody put a lot of hard work into the report. There was a lot of dedication over a long period, and even though we may well have had an honest disagreement at the end of it on some matters, people should not underestimate the efforts that Committee members on both sides of House put in to get to where we are today, not least the hon. Members for West Bromwich East (Mr Watson) and for Newcastle-under-Lyme (Paul Farrelly), who put in a lot of time and effort to uncover the wrongdoing that clearly took place at News International.

I absolutely endorse the case that was put by my hon. Friend the Member for Maldon at the beginning of the debate on why the matter should be passed on to the Standards and Privileges Committee. I want to emphasise that the Committee did not come lightly to the decision that Tom Crone, Colin Myler and Les Hinton had lied to the Committee in its previous inquiry, and, it might be said, in this one too. I do not think that any Select Committee would lightly decide overtly to state that certain named individuals lied to them in the course of their inquiry. I want to press that point to the Chairman of the Standards and Privileges Committee so that he appreciates that the decision was not entered into lightly. Those conclusions did not come flippantly, but after much serious consideration and deliberation.

I also want to emphasise how our inquiry was repeatedly impeded by News International, not just this inquiry, which, to be perfectly honest, showed for the first time elements of News Corporation co-operating with the Select Committee, but particularly the previous inquiry, when News International repeatedly, consistently and corporately made it clear that it was impeding our inquiry. In case people are not aware, I have to report that News International attempted to have the hon. Member for West Bromwich East and me thrown off the Committee during the last Parliament because it thought that we would not be particularly favourable to them in our deliberations. As the hon. Member for Wallasey (Ms Eagle) made clear, it would be absolutely unacceptable if people could come to Parliament and know that they could get away with repeatedly lying to the Committee. If that did happen, it would open the floodgates for witnesses not to tell the Committees about anything that might be inconvenient to them.

One brief point to emphasise how we did not enter into these matters lightly, the lies were not just little white lies, but deliberate attempts to mislead the Committee on serious matters. For example, my hon. Friend the
Members for Maldon and for Folkestone and Hythe (Damian Collins) mentioned the letter that Clive Goodman sent to appeal against his dismissal to Les Hinton, saying that this practice was widespread in News of the World and that it was discussed on a daily basis. Yet Les Hinton made it clear that he had seen no evidence at all to suggest that the practice was more widespread, which was quite a palpable lie.

We must also remember that on the back of the letter that Les Hinton received, he was responsible for making sure that, one way or another, Clive Goodman received a payment totalling around £250,000. For him to say quite flippantly that there was no evidence at all; there was certainly sufficient evidence for him to authorise £250,000 to be paid out from News International to Clive Goodman—somebody who was convicted of a criminal offence, caused huge embarrassment to the company and could have been dismissed for gross misconduct. I would like to press upon the House, and the Standards and Privileges Committee, the fact that that was not only repeated, but very serious and blatant.

Finally, I would like the Standards and Privileges Committee to consider the motives of the people who lied to us—my hon. Friend the Member for Corby (Louise Mensch) touched on this in her contribution—because it is not entirely clear why certain people lied. Was it to protect themselves, which might have been the case for some people, to protect colleagues, or was it to protect the company and its reputation as a whole? The Committee might like to consider what motivated those people to lie and whether different motivations should come with different punishments. I am not offering any particular opinion, but I think that that is something that should be put on the record.

The reason I mention motives is that it was perfectly apparent during the previous inquiry in the last Parliament that witnesses from News International came to the Committee with a corporate game plan: nobody knew anybody who might know anything, and that was everybody’s defence at every possible turn. Whatever question was asked, that was the corporate defence from everybody who appeared before us under the News International banner, and it was particularly striking. I recall asking Les Hinton during that inquiry whether he had received any coaching before the evidence session: I certainly have a feeling that on some occasions they were told what to say and that it was a corporate decision, rather than one they made themselves.

Alun Cairns (Vale of Glamorgan) (Con): I pay tribute to my hon. Friend, the Committee and its Chair for the way they have conducted their inquiry and today’s debate. Will he reassure me that, as this ever-changing situation evolves, if any other witnesses are found to have misled or lied to the Committee, it will take the same action and call for them to be referred to the Standards and Privileges Committee?

Philip Davies: I am grateful to my hon. Friend but fear that his question is slightly above my pay grade, as those are not decisions I can take for the Committee as a whole. I am sure that my hon. Friend the Member for Maldon, the Chair of the Committee, listened carefully to his intervention. He is probably the best person to direct that request to. I would certainly be sympathetic to the idea of the Committee looking again at certain individuals, if the legal situation allowed, who might also have lied to us, if that is what we conclude.

In conclusion, these are very serious matters, matters about which the Committee was absolutely unanimous, with regard to the three individuals concerned, and that we did not enter into lightly. We might have had some very well-publicised disagreements about parts of our report, but on this we were absolutely united. On the report as a whole, and on the inquiries as a whole, there was far more that united the Committee than divided it.

4.49 pm

Kevin Brennan (Cardiff West) (Lab): I, too, will attempt to be brief. Far from being critical of the Culture, Media and Sport Committee, I praise it for the work that it has undertaken on this matter over many years, dating back, as my hon. Friend the Member for West Bromwich East (Mr Watson) said at the beginning of his remarks, to the question that my hon. Friend the Member for Rhondda (Chris Bryant) asked way back in 2003 of the then Rebekah Wade about the payment of police officers, a practice that he and I were strongly convinced—shall I put it that way?—was not uncommon but was taking place at the time.

May I pick up on the matter, and slightly disagree with my hon. Friend the Member for Rhondda, regarding the Committee on Standards and Privileges? I support the motion before us, but it is unfortunate that we have to talk about referring the issue to the Committee on Standards and Privileges and about the possibility of Parliament imprisoning individuals because they have lied to a Select Committee. That is the essence of the point that I have made for some time, and to which the hon. Member for Corby (Louise Mensch) referred, about the need for evidence to be taken under oath by Select Committees.

The hon. Lady started by saying that taking evidence under oath would be a bad idea because, in effect, lawyers would make witnesses clam up, and she is absolutely right that, at the moment, a Select Committee chooses whether to do so, but, as in the case that she cited from the United States, it is common practice for committees of Congress to take evidence under oath, and that is exactly why Roger Clemens can be held accountable on a charge of contempt of Congress.

I do not mind whether the criminal charge that results from such practice is contempt of Parliament, because there is no question but that News Corporation and News International, in their attitude to our Select Committees, showed over many years utter contempt for the proceedings of Parliament. They did so because they thought that those Committees had no power, no authority and no teeth—exactly because they were not taking evidence under oath.
Kevin Brennan: I am not quite sure how the hon. Lady disagrees with me, to be perfectly honest. As I pointed out earlier, there is an Act of Parliament in place, the Parliamentary Witnesses Oaths Act 1871, which means that oaths can be taken before Select Committees, and any false evidence given under those oaths would be subject to prosecution under the Perjury Act 1911. If she would prefer to substitute a criminal offence of contempt of Parliament for that, I would be perfectly happy, but my point is that I feel uneasy that the only option available to us, because in the case before us an oath was not taken, is referral to the Committee on Standards and Privileges and the possibility of Parliament having to consider using that rarely used power of imprisonment.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Will the hon. Gentleman allow me?

Kevin Brennan: I will, because the hon. Gentleman is the Chairman of the Public Administration Committee, but I will not take any further interventions.

Mr Jenkin: I am very grateful to the hon. Gentleman. I regret the fact that I have been in the Chamber for only part of the debate, but I heard the opening remarks. I feel it is appropriate for me to inform the House that the Liaison Committee has charged me with working with colleagues to investigate how the whole question—it is very germane to this debate—of Select Committee powers should be exercised.

Listening to these exchanges, I hear many matters that we have discussed and considered carefully, and I hope that the Chairman of the Standards and Privileges Committee will have regard to the findings that I hope we will produce in short order, which should provide not only some guidance on how the Committee should conduct its investigation into the matter, but some guidance to the House on what the consequences of contempt should be and, in future, on whether we will need to avail ourselves of the courts or of our own procedures. I am very grateful to my right hon. Friend the Leader of the House for emphasising that we are a House with a penal jurisdiction. That was a very important thing to put on the record.

Kevin Brennan: I am grateful to the Chairman of the Public Administration Committee for that intervention. He knows that I was a member of the Committee for many years, briefly under his chairmanship and in previous years under the chairmanship of Tony Wright, when we also considered a number of these issues.
has led us to this point. The Leader of the House made it clear, and Parliament is now clear, that we need to address the difficult questions of how we deal with breaches of the understandings or commitments that people undertake. Is it by our taking a criminal sanction? Is it, as the hon. Member for Corby (Louise Mensch) suggested, by our referring the matter to others to prosecute in the criminal courts? We cannot duck the question, and it needs to be picked up.

Colleagues know of my interest. I was the only Member of Parliament originally to give evidence in the trial that convicted Mr Goodman and Mr Mulcaire. Throughout the last part of the previous Parliament, I argued that we needed a public inquiry and needed to increase the criminal sanctions on those in the world of the press, not only those at the News of the World, who broke the law. Very recently—I wanted to leave it until late in the day—I took civil proceedings against the News Corporation. The fact that Corporations of this world and that Parliament is above them should not preclude them from telling the truth and from being answerable and accountable. We need to make sure that the law is above the News Corporations of this world. The fact that ofcom, the duty licence, and it is doing that. These are relevant matters, and corporate responsibility has to be accepted.

Finally, I am not at all vindictive about these things, but I am clear that we now have to bring the matter to a conclusion. The police are doing their job and Lord Justice Leveson is doing the job that we have asked him to do very well. Parliament has to complete its job, too. I trust that the motion represents the right way to do it and that the Standards and Privileges Committee will start its work unencumbered by pressure. We have to find ways of holding people to account when they abuse this place and ensuring that they understand that this is the Parliament of the people, and that they will be answerable and tell the truth.

4.59 pm

Mr Adrian Sanders (Torbay) (LD): I, too, congratulate the hon. Member for Maldon (Mr Whittingdale) on his chairmanship of the Culture, Media and Sport Committee during not just this inquiry but previous ones, including those for which I was a member of the Committee. I also thank members of the Committee past and present, and I thank the members of staff who have supported it for their patience and counsel. It has not necessarily been easy for them.

I will be brief, because much that needed to be said has already been said. I hope that the Standards and Privileges Committee will take into consideration one of the difficulties that the Culture, Media and Sport Committee had, which was that the circumstances were changing week by week as new evidence became available. That may also become a challenge for the Committee chaired by the right hon. Member for Rother Valley (Mr Barron). Ongoing inquiries and investigations may influence its decision making.

The most important issue, as has been mentioned, is the ability of Select Committees to seek out facts and uncover the truth. If there is no penalty for misleading a Committee, it affects our entire Select Committee system. I suspect that that concern lay behind the unanimity of the Culture, Media and Sport Committee on the relevant part of the report. Our experience has highlighted the need for Parliament to consider its powers and the procedures that we follow.

I end with a note of concern, although I fully support the motion. It is that the Standards and Privileges Committee meets in secret, which could be a difficulty. Those who, in our view, have misled the Culture, Media and Sport Committee could seek to challenge anything that the Standards and Privileges Committee does if it meets in secret.

Question put and agreed to.

Resolved.

That this House notes the conclusions set out in chapter 8 of the Eleventh Report from the Culture, Media and Sport Committee, Session 2010-12, on News International and Phone-hacking, HC 903-I and orders that the matter be referred to the Committee on Standards and Privileges.

Business without Debate

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

POSTING OF WORKERS AND THE RIGHT TO TAKE COLLECTIVE ACTION

That this House considers that the draft Council Regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services (European Union Document No. 8042/12 and Addenda 1 to 3) does not comply with the principle of subsidiarity for the reasons set out in Chapter 1 of the First Report of the European Scrutiny Committee (HC 86-1); and, in accordance with Article 6 of Protocol (No. 2) of the Treaty on the Functioning of the European Union on the application of the principles of subsidiarity and proportionality, instructs the Clerk of the House to forward this reasoned opinion to the Presidents of the European Institutions.—[Angela Watkinson.]

Question agreed to.
Financial Services Bill

[2ND ALLOCATED DAY]


Further consideration of Bill, as amended in the Public Bill Committee

Clause 7

ORDERS UNDER SECTION 22 OF FSMA 2000

Amendment made: 4, page 39, line 36, after ‘25(1)’ insert—
‘(a) after “22(1)” insert “ or (1A)”, and’.—(Mr Hoban.)

Clause 9

PERMISSION TO CARRY ON REGULATED ACTIVITIES

5.3 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I beg to move amendment 75, page 43, line 16, at end insert—
‘(3) Within a year of Royal Assent to the Financial Services Act 2012, the Treasury shall publish a report on measures to improve the stewardship of institutional investments, which may require amendment under subsection (1).’.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following: Amendment 45, in clause 14, page 64, line 8, at end insert—
‘(3A) In section 73, subsection (1), insert at end:
“(g) to foster ethical corporate behaviour, including respect for internationally-recognised human rights.”.’.

Amendment 38, in clause 22, page 82, line 10, at end insert—
‘(c) provide for a requirement that an employee representative should be a member of the remuneration committee of a relevant body corporate, and
(d) provide for a requirement that the remuneration consultants advising on remuneration policy shall be appointed by the shareholders of a relevant body corporate.’.

Government amendments 5 to 8.

Amendment 73, in clause 40, page 127, line 38, at end insert—
‘COMPLAINTS BY SMALL BUSINESSES

234I Small businesses—complaints and proceedings

(1) The Treasury and Secretary of State shall bring forward proposals within three months of Royal Assent to the Financial Services Act 2012 in the following areas—
(a) to introduce provision for collective proceedings before the court in respect of financial services claims made on an opt-out basis by small and medium sized enterprises; and
(b) to introduce provision for complaints by small and medium sized enterprises to the FCA that a feature, or combination of features, of a market in the United Kingdom for financial services is, or appears to be, significantly damaging the interests of small business.’.

Government amendment 9.

Amendment 74, in schedule 5, page 204, line 37, at end insert—
‘(2) In subsection (1) after “approved persons”, insert “and the standards of stewardship expected of approved persons who are institutional investors.”’.

Government amendments 13 to 17.

Chris Leslie: This important Bill took a considerable amount of time in Committee, but it was still insufficient to cover many of the amendments that will be necessary to ensure that it is fit for purpose and able to fulfil the job for which it was designed. The Opposition believe that the Bill can still be improved, so many of the proposals we did not reach in Committee or that were not addressed on day 1 on Report are in today’s amendment paper.

This long group of amendments under the generic title, “Stewardship, etc.” covers a few issues, so I would be grateful, Madam Deputy Speaker, if you would bear with me while I touch on the details. Although amendments 75 and 74 relate to stewardship, other amendments are on different topics, which I should also like to address under this group.

On amendments 75 and 74, it is important to take the opportunity to ensure that the Bill properly improves institutional investors’ stewardship of pension funds or other savings or investments. Such funds are looked after by others on our behalf. In an ideal world, those who have pensions or other savings would spend time considering where they are invested, and whether they are invested ethically or in sustainable organisations and so forth. For reasons of practicality, however, that is often impossible, and investments are often grouped together in a basket of different products, so following the detail of where funds are invested is incredibly difficult.

That is why many people choose to use institutional investors—to ensure their best interests are being served. That means ensuring a good and strong rate of return, but many people care about where their money is invested. Most of British industry is partly owned by the collective pension funds of our constituents. They have voting rights through the shares and equity they hold, but they are often exercised without reference to our constituents and delegated to institutional investors to make decisions on their behalf.

The previous Administration and this one have therefore sought to address the quality of stewardship by institutional investors. Amendment 75 is on the threshold tests in the Bill and the Financial Services and Markets Act 2000 on whether people are suitable or fit and proper, whether they have adequate resources to fulfil their responsibilities, whether they have close links with others in the sector, and so on. The Opposition felt it would be a good idea to ask Ministers to consider whether the array of reforms that should be made to corporate stewardship should be reconsidered in the light of those threshold tests.

Amendment 74 also looks to the 2000 Act and the general rules of conduct of approved persons and seeks to amend the Bill so that it addresses key aspects of the
good stewardship agenda. We argued in Committee and earlier that the Bill is a missed opportunity radically to improve the stewardship of some of the key players in corporate Britain, especially those large firms—banks and institutional investors—that have such a direct impact on society at large.

The stewardship code was brought into force in 2010. We have had reasonable progress, with around 230 asset managers, asset owners and service providers signing up in the first 18 months, but sadly, the Bill does not reference the Financial Reporting Council, which is the UK’s independent regulator responsible for promoting, among other things, high-quality corporate governance. We want the Bill to do more to give regulators a proper and clear mandate to strengthen the stewardship code where appropriate and give them sufficient teeth to ensure that significant culture changes can happen. These things do matter. We have to build a framework that roots out bad habits and addresses what some people have called the principal agent dynamic—the fact that shareholders are often very fragmented and, when faced with unified managers are often unable to make any headway. Senior executives can sometimes respond only if there is a 50% plus one coalition of shareholders.

We need to rekindle that dynamic. Some have said that it is time for a shareholder spring or awakening, and there have been some suggestions recently that certain company shareholders, at the annual general meetings and elsewhere, have begun to ask fundamental questions of the senior executives. It is the mismatch between the power that senior executives can have and the lack of power of—paradoxically—the owners of some of these large companies that needs addressing. In legislative terms, we often have debates about firm rules and fixed ways of doing business. Obviously, it would be preferable if the dynamic between owners and managers were able to ensure that we had a healthier, more open and transparent way of doing business.

I commend those institutional investors who show an active interest in how they use the voting rights of their investors and use that leverage to try and influence positive corporate behaviour by the relevant companies. It must be tempting for many institutional investors, when faced with a company perhaps with a management dysfunction or some behavioural failing, to sell up and walk away from that company. That is too often the history of such shareholding. It would often be far better if shareholders, as owners, could stay and try to fix the culture of the organisations that they own. It is that sort of change that we need to find a way of addressing. Yes, some shareholders will not want to say publicly that they disagree with senior executives, because that could affect the share price and they would therefore be affecting their own financial interests in some ways, but there are several ways in which institutional investors need to have the ability, directly or indirectly, to influence what is going on.

Protests in recent months have, in some cases, seen the rejection of some of the larger pay deals in big companies—for instance, the executive remuneration packages at Trinity Mirror, Pendragon and Aviva. The banking sector has also seen some significant shareholder disquiet, including at Citigroup and the rejection of the chief executive’s pay package. Nearly a third of Barclays shareholders voted against the pay policies in that particular company.

So there have been some signs that shareholders are becoming interested in that more active role. This is perhaps to commend the work of the Association of British Insurers, which has done good work recently in encouraging its members to take a more active role. Those members account for some 15% of the stock market, and they recently wrote an unprecedented letter to the chief executives of some of the major banks in particular, saying that they were not happy and would no longer tolerate a “business as usual” approach when it came to remuneration, especially for executive directors.

Those moves are very positive, but we should not feel that the balance between shareholders and executives is sufficient. The persistent imbalance needs addressing in a number of specific ways. For a start, a shadow is often cast across the Atlantic as many institutional investors feel that what are known as the “acting in concert” rules affect them here. To what extent can institutional investors come together and discuss with each other their ability to voice common concerns about the behaviour of managers? I have sometimes heard concerns expressed that this may somehow be in conflict with anti-trust regulations. If the Government could clarify the “acting in concert” rules, it would help to send a clear signal to institutional investors that it is possible to have those discussions, to come together to form a significant majority and to express a view about corporate behaviour.

5.15 pm

As I said, some progress has been made recently on the stewardship code, but the results of some surveys remain slightly depressing. In March, a business bellwether survey conducted jointly by the Financial Times and the Institute of Chartered Secretaries and Administrators canvassed the views of company secretaries from the FTSE 350. It found that 79% of FTSE 350 firms reported that the stewardship code had led to no difference in meaningful engagement, with only 21% reporting a slight difference. Only one in 10 firms had actually met their top 10 shareholders in the past 12 months.

The culture, then, is not changing radically enough. That is particularly clear with the bonus culture. On numerous occasions, we have debated bank bonuses and the fact that the culture there has not changed sufficiently. We still receive correspondence from many constituents totally aghast at the scale of some awards paid in the industry. The Department for Business, Innovation and Skills has reported on its efforts to curb excessive pay deals and talked, primarily, about the need for a binding shareholder vote on annual remuneration policy. That is welcome, of course, but insufficient, especially if the binding vote on future remuneration policy does not have enough teeth. It has been suggested by many, including some in the asset management industry—Fidelity Worldwide Investment, for instance—that a 75% super-majority might still be necessary. That would make companies consult shareholders far more widely prior to the vote and would maximise shareholder engagement.

There is a series of other reforms on the stewardship agenda, however, that the Minister needs to consider and encourage the regulators to consider. For example, there is a strong case for simplifying and clarifying how
executive pay is composed. Just finding out what exactly is being paid in remuneration packages is sometimes itself a high science. A case can be made for a basic salary element to be supplemented with one additional performance-related element to help to ensure that shareholders can clearly comprehend the absolute levels of executive pay. We need greater transparency so that shareholders can understand what is being paid to managers.

It would be helpful if the reporting of pay packages was more standardised across a range of businesses and included single figures showing total remuneration. The Opposition believe that to increase transparency, shareholders should also be able to see awards that go beyond the boardroom, particularly in the banking sector. We have said that figures for the 10 highest-paid employees outside the boardroom need to be published, again so that shareholders can know what is happening. Let us bear it in mind that these things are not simply a matter of natural justice; they significantly affect the behaviour of those senior executives and the risks they take. If remuneration practices continue to reward excessive risk taking, linked to the exuberant activities that resulted in some of the more dangerous aspects of investments that took place ahead of the global financial crisis, it could ultimately lead to a significant liability for the taxpayer. This is relevant if we are to learn the lessons of the financial crisis.

There is also a case for ensuring that employees have a greater stake in what is happening within the companies in which they work. The proposal—put forward I think by the High Pay Commission—to publish the ratios of the pay of the highest-paid employees to that of the median would be a good way of ensuring a better sense of how a company was bringing all its stakeholders along in its business plan.

One of the key issues that still requires action is something basic: the mandatory disclosure of voting patterns by institutional investors. Many institutional investors are beginning to disclose their voting practices. That is a good thing, but in this day and age, that needs to be a basic, minimum requirement. A number of organisations, including FairPensions and others, have been pressing for the change, and the time for action has come. Not only would the mandatory disclosure of the voting patterns of institutional investors help to inform the owners of stock—the investors in companies—of what was being done in their name; it would also promote competition and choice, so that consumers could judge where their investments might best be placed to match their views, whether ethical or environmental.

My hon. Friend the Member for Wigan (Lisa Nandy) has an amendment in this group, and she will no doubt talk to it in a moment. It is of course important to ensure that regulators and the sector pay greater care and attention to ethical, human rights and sustainability questions. However, I also want the general public—pensioners, and other savers and investors—to have the information about what is being done in their name with their investments. That is why the mandatory disclosure of voting patterns is so important. The Minister therefore needs to trigger the powers in the Companies Act 2006, which are ready to go, so that they are brought into force and the stewardship agenda is promoted, and to do so as soon as possible.

However, one of the most important reforms to stewardship must be the reform of remuneration committees in large corporations, in particular those in the financial services sector. I hope that amendment 38, standing in my name, will gain some traction with the Minister. Although we debated the matter in Committee, he must surely be persuaded by now of the virtues of ensuring an opportunity to appoint an employee representative as a member of a remuneration committee, and also that remuneration consultants—the specialists tasked with advising on the appropriate, going rate of pay for senior executives—should be appointed independently by the shareholders, not by the managers, who have a vested interest in the outcome of any review. Again, this is a pretty basic corporate governance reform, so I hope that the Government will accept the merits of it.

I cannot stress enough the importance of ensuring that employees have a better voice in addressing some of these questions. There is an incredible propensity for loss of morale in some of the big companies in this country if the employees feel totally disconnected from the continuous high pay, remuneration and bonus culture that they sometimes see in their own companies. When we have debated the issue in the past, the Minister has said, “We can’t possibly put an employee on a remuneration committee because that would involve a conflict of interest”—that is, because the employee would somehow be voting on their own pay and conditions. There are simple ways of dealing with conflicts of interest; the key thing is that the employee should have a voice to express a view about the ratios of the highest-paid to the typically-paid in a company, to ensure that we do not just have managers commenting on management pay, but that others can comment too. That would lead to a healthy dynamic on remuneration committees, and it is something that already happens in many of our European neighbour industries. We know that John Lewis and other UK companies already follow many of these best practices; I think the time has come for such arrangements to be broadened out.

It is also important to make sure that we move on from the perception that the remuneration consultants who are hired constantly make recommendations that please the highly paid management in some of these large banks and large corporations. Consultants will, like a sunflower, always face the sunlight and if they feel that their appointment will come by saying the things that please the people making the appointment, they will continue to say those things. There are some great consultants out there, and I do not, in any way, wish to denigrate their integrity, but, generally speaking, the culture can give rise to a perception that something is not quite right in how recommendations are made. So to ensure that those recommendations and the consultants’ behaviour are beyond reproach, it is important that we place this power more firmly and clearly in the hands of shareholders. That deals with amendment 38, and those are the points on the stewardship agenda that I hope the Minister will address.

Amendment 73 deals with a slightly different topic, as it seeks to amend clause 40. It has largely come about because of recent reports that small and medium-sized enterprises in the UK may have been mis-sold products by some of their bankers. In particular, some SMEs that might have taken out loan agreements were also told that they needed to take out an interest rate swap
product—a hedge or an insurance against interest rates going too high—and therefore made such arrangements. Increasing concerns are coming to light about the way in which that practice occurred, with serious questions being asked of the commercial banks. This is obviously not of the scale of what happened with personal protection insurance, because that involved millions of individual consumers being mis-sold a product. We are still in the early stages of finding out just what has happened, so this amendment seeks to bring forward powers giving small firms an ability to complain and to bring proceedings—court proceedings if necessary—to ensure that they could get proper adjudication on whether they were indeed mis-sold a particular product.

The amendment would do two specific things. First, it would require the Government to introduce proposals within three months of Royal Assent of this Bill to make it easier for groups of small firms to bring collective proceedings—class action suits, as they are often called—before the courts in respect of financial services claims, with the right to opt out for those companies not wanting to be party to the outcome of those cases.

I have written to the Minister on these points. Several years ago, he debated this issue when it came up during proceedings on the Financial Services Bill in 2009-10. He was then in a shadow role and he argued that the provisions could not go ahead because sufficient consultation had not taken place—the then Government undertook that consultation, partly at his behest. He has now been in office for a couple of years and we have another Financial Services Bill before us, yet still there is nothing in legislation on this.

In correspondence, the Minister tells me that

"legislating for collective proceedings through the Financial Services Bill would neither allow for the appropriate degree of consultation or take advantage of the opportunity to learn from the responses to the BIS consultation on private actions in competition law."

All our amendment seeks to do is ask the Government to bring forward proposals within three months of Royal Assent. That would surely give ample time for proposals to be formed and for consultations to take place. If the Government cannot legislate now to help small businesses to ensure that, if necessary, they are able to undergo those collective proceedings to get justice in their cases, I do not know when a better time would be. The Minister needs to give us a little more information about the time scales he has in mind and the legislative vehicles he feels might be more appropriate than this Bill. The amendment would also empower SMEs to complain to the regulators, going beyond the collective proceedings in a court, and to give representative bodies the right to complain about market failures—in this case, to the Financial Conduct Authority—in the same way that consumers can complain.

5.30 pm

SMEs are consumers, just as individuals are; and just as individuals can be victims of mis-selling, so can small businesses. There will from time to time be vexatious or malicious complaints about particular products, but they can be dismissed by the regulator. The Minister has helpfully tabled an amendment to clarify that a small firm—it might be an independent financial adviser or an approved person—should not be deemed as a consumer when making a super-complaint. That is a perfectly good amendment, but we need to recognise that there is a gap in the legislation when it comes to small firms wanting to make complaints in their role as consumers of financial products.

Stewart Hosie (Dundee East) (SNP): Is the hon. Gentleman concerned that, if the amendment is passed, financial institutions might stop providing the hedge products against interest rate changes or forex changes that SMEs might need and from which they might benefit? Is there not a slight risk of those products no longer being available, adding to the risk of SMEs over a period of time during which interest rates and foreign exchange rates might change?

Chris Leslie: I am grateful to the hon. Gentleman, but no, I do not think that is a risk. Amendment 73 does not propose to outlaw interest rate swap products; indeed, it is not specifically related to those particular products. It is really about the powers of small firms to complain and to take proceedings if they feel that they have been mis-sold a particular product.

On the particular issue in the news about interest-rate swap products, there are some serious questions that the Financial Services Authority and the Minister need to answer. Were those interest-rate hedge products a requirement of loan agreements, or were they optional? Were the minimum and maximum parameters fair and balanced, or was the downside risk always likely to hit the consumer more than the banks? How frequently was there a mismatch between the term of the loan agreement and the term of the hedge product obligation? Sometimes the term of the hedge product obligation continued even though the loan term had concluded. Were there asymmetrical rights to cancel? In other words, could the banks cancel the arrangement for a particular product, with which the consumer or small firm had to continue? Those are some of the key questions.

David Mowat (Warrington South) (Con): The hon. Gentleman is right to raise this serious issue. What I do not understand in his amendment, however, is what additional powers it would effectively give to a small business, given that the Financial Services Authority can already investigate all these things. Am I missing something?

Chris Leslie: When it comes to complaints procedures, particularly about market failure, which the Financial Conduct Authority can look at, there is a trigger that small firms could have, but it is not available in the Bill. Just as the Minister has given super-complaint powers to a certain number of consumer bodies, so a case can be made for doing a similar thing for representative bodies of small firms. I am not claiming that the amendment is drafted to the perfection that the Minister’s officials might want, but I hope he gets the gist—that there is a gap here. Small firms might have written to him, expressing the fact that they feel that they have no power. I have certainly had some of them writing to me to say that they feel intimidated about complaining—to the regulator or to their bank—because of the sheer power that the bank has to withdraw lines of credit if it feels that the boat is being rocked.

There is an important underlying issue here, which the business community wants addressed. To what extent were small firms told to seek independent advice before signing up to the swap contracts? How widespread was
the take-up of these particular agreements? I know that the Financial Services Authority is beginning to look at these questions, but I want to see more action and a swifter response from both the Government and the regulator.

**David Mowat:** Many of us want to see more action, but what I do not understand is the extent to which the hon. Gentleman believes that the FSA does not have the powers to investigate mis-selling of this type. If mis-selling has occurred—the hon. Gentleman provided some good examples of unfair and asymmetric contracts—surely the FSA is already able to investigate it.

**Chris Leslie:** Indeed it can, but it is the way of triggering an FSA investigation that is the case in point. The FSA can choose not to listen to the voices of dozens or hundreds of small businesses, not necessarily in regard to this product but in regard to other products in the future. It is a question of giving some power to small firms, as consumers, to trigger an investigation by the regulator. This is not just a pro-consumer amendment; it is a pro-business amendment, as I hope can be agreed on all sides.

I have spoken about the amendments tabled in my name; there are others on the list. I shall be interested to hear what the Minister has to say.

**John Hemming (Birmingham, Yardley) (LD):** Let me begin by referring Members to my entry in the Register of Members’ Financial Interests. I think that I should declare registrable holdings in RBS and Lloyds as regulated entities. I have just checked my entry in the register, and note that I have a declarable interest in Highway Capital. It is a stock exchange rather than a parliamentary interest, but I think that it should be declared because it is relevant to the debate. I also founded, and still chair, John Hemming and Company LLP, which supplies software to the financial services sector. Although it is not itself regulated by the FSA, it trades with FSA-regulated entities, so I think that interest should be declared as well.

My hon. Friend the Member for Solihull (Lorely Burt) sadly cannot be here today, although she attended 16 of the Committee’s sittings. She has, however, passed me certain comments that she has received from interested parties, which she wishes me to raise with the Minister.

Payday lending has been a substantial issue throughout the debate. My personal view is that it is not a good thing, because it traps people in many circumstances. The question of what is the best way of dealing with it is a complex one, and I think that the Government are entirely right to ask the University of Bristol to investigate it. However, I have spoken to companies in my constituency and have said that I do not think that it is a very good thing.

In Committee, my hon. Friend the Member for Solihull said that the Bill should explicitly encourage the Financial Conduct Authority to seek to maintain and extend consumers’ access to financial services that meet their needs, and that when making regulatory decisions, it should assess their impact on markets and consumers. It should place value on policy proposals and regulations that increase access to savings, protections and other financial products, and also on financial advice. In the absence of such a requirement, there would be a risk of the FCA always being steered towards a risk-averse regulation. Markets might be restricted to large groups of consumers to avoid any consumer getting sub-optimal products.

The Government seek to encourage the development of simple financial products. If we are to succeed, we must have a regulator working with the grain of the policy rather than acting as an obstacle to it, as appeared at times to be the case with the last Government’s stakeholder products initiative. Does the Minister agree that the FCA now has the “teeth” to engage with the industry and engage in issues such as the maximum number of rollovers that a payday lender should be permitted to allow? Could the FCA set a threshold for market entry? Could it impose on companies real penalties that hurt, rather than the £50,000 limit imposed on the Office of Fair Trading, and make lenders pay compensation to consumers who have suffered detriment?

Let me now turn to the reflections of industry practitioners. The smallest businesses are keen to ensure that the cost of the regulation to them is not disproportionate. Forty per cent. of credit licence holders are sole traders. What cost-benefit analysis has been carried out for the smallest practitioners?

What about the implementation time? The Finance and Leasing Association has observed that the less far-reaching Consumer Credit Act took four years to implement. It estimates that implementation of this legislation would take between five and seven years. I am sure that the Government will work with all the professional bodies in devising a sensible implementation plan, but I should be grateful for any reassurance the Minister can give.

The Association of Independent Financial Advisers is fearful about the lack of a limit on time for complaints, which it says will place a burden on provisions that it will need to make to cover this open-ended provision—

**Madam Deputy Speaker (Dawn Primarolo):** Order. The hon. Gentleman is speaking quite quickly, but I am trying to follow what he is saying. Will he explain how it is relevant to the amendments that we are discussing?

**John Hemming:** It is not.

**Madam Deputy Speaker:** In that case, it is out of order. Perhaps we should move on, unless the hon. Gentleman is going to speak in order.

**John Hemming rose—**

**Madam Deputy Speaker:** Order. I should like the hon. Gentleman to do it now. Otherwise I am going to sit him down straight away, given that he knows that he was out of order. Presumably that is why he was speaking so fast. I ask him to speak directly about the amendments.

**John Hemming:** The Opposition have raised interesting questions about the issues of shareholder activism and the interrelationship between shareholder activists and companies, and I would be interested to hear what the Government have to say in response.

**Madam Deputy Speaker:** Splendid; thank you. I call Lisa Nandy.
Lisa Nandy (Wigan) (Lab): After that exchange, I rise to speak to amendment 45, which stands in my name and that of other Members, with some trepidation. I shall try to keep to the point.

The amendment places a duty on the Financial Conduct Authority, in its role as the UK listing authority, to require all applicants to the stock exchange to report on the human rights and sustainable development impacts of their operations. The Minister has said that the FCA needs to be a single-minded regulator. The amendment would not distract the FCA from its strategic objective, but would serve to uphold the integrity of the market and the London Stock Exchange in the fullest sense of that term. As the hon. Member for Hereford and South Herefordshire (Jesse Norman) has said, we must uphold honour and morality in the markets, but we must also maintain Britain’s international competitiveness. The amendment will achieve both objectives.

Conveniently, the amendment is also in line with the Government’s policy commitments. In June last year, the UK, along with every other member of the United Nations Human Rights Council, endorsed the UN framework on human rights and transnational corporations, which for the first time provides a framework for business and human rights. It was an historic agreement, and the Government are very supportive of it. The Foreign and Commonwealth Office has been particularly enthusiastic in its support for its principles, but so far the Government have not spelled out how they intend to fulfil them. Listing requirements specifically relating to human rights and sustainable development will be a very strong first step. As some Members may be aware, the LSE is currently host to a number of companies that have been found guilty of gross violations of human rights, particularly in countries that are in conflict or deemed high risk, yet very few companies have been held properly to account for such actions.

Last June, Richard Lambert, former director general of the CBI, wrote an opinion piece for the Financial Times. He said:

“It never occurred to those of us who helped launch the FTSE 100 index 27 years ago that one day it would be providing a cloak of respectability and lots of passive investors for companies that challenge the canons of corporate governance such as Vedanta… Perhaps it is time for those responsible for the index to rethink its purpose.”

Our amendment would clarify rather than rethink the purpose of the stock exchange, allowing the FCA to take into account an applicant’s respect for human rights and sustainable development, in protecting the integrity and respectability of the exchange. That has been done elsewhere, such as in Hong Kong, and Istanbul, Brazil, Indonesia, Shanghai, Egypt, Korea and South Africa have all taken steps in that direction.

Such regulation would not be burdensome on applicants. Publicly listed companies already report on their social and environmental impacts as part of the requirements under the Companies Act 2006. This amendment would simply make explicit the requirement to include human rights and sustainable development in their reports and demonstrate to applicants that the Government do not tolerate or accept failure to respect human rights.

Apart from the moral argument, there is a strong business case for such requirements. There is increasing recognition that environmental and social factors can have a material impact on business returns and a wider impact on reputation. The gulf of Mexico oil spill—which forced BP to cancel its dividend for the first time since the second world war and to report its first annual loss in 19 years—should have removed any doubt that environmental and social issues can be vital to company success.

One of the virtues of London’s financial services sector is its sustainability, security and stability, yet we are falling behind other countries in our commitment to sustainability. The Bill provides a great opportunity for Ministers to get on the front foot in respect of this agenda. The FCA’s purpose is to uphold the integrity of the markets. I ask Ministers to consider that term in its fullest sense in respect of companies’ environmental and social impacts.

This is a probing amendment, so I shall not press it to a Division, but I will listen very carefully to the Minister’s response.

John McDonnell (Hayes and Harlington) (Lab): I apologise, Madam Deputy Speaker, for coming and going from the Chamber during the debate; I have been chairing another meeting.

I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on the way in which she has promoted the debate on the issue and on her amendment. She has approached the matter articulately and with considerable compassion. She has demonstrated that ability to the House on a number of issues, and I congratulate her on her promotion to the Labour Front Bench.

5.45 pm

I was the Member who assisted in the launch in the House six weeks ago of the report, “UK-listed Mining Companies and the Case for Stricter Oversight”. The report was produced by the London Mining Network and supported by Amnesty International and a range of other organisations. It brought together examples of the operation of companies in the mining sector listed on the London stock exchange and the role that they played in the abuse of human rights, the environmental degradation of vast tracts of countries within the developing world and the overriding of the cultural values of local people.

The various organisations that came together to launch the report included human rights groups and environmental groups, as well as a number of community and religious groups, and they are looking to the Government for some movement on that issue. As my hon. Friend the Member for Wigan argued, those human rights, environmental and cultural abuses should not take place in the name of British companies listed on the British stock exchange. Any effort the Government can make to give this country’s financial authorities the powers to exert some influence on the operation of such companies is critical. As my hon. Friend has said, such actions are causing such long-term reputational damage not just to the individual companies but to the British financial system that they will eventually rebound on us. The matter needs to be addressed, and it needs to be addressed now.

When we launched the report, I was moved when I met the groups campaigning on the issue in Peru. I want to give this example not to delay the House but to demonstrate the significance of the amendment and the debate, as well as to suggest a possible route through for
the Government. This example has gone unchecked by the financial authorities in this country. In 2005, Minera Majaz, a wholly owned subsidiary of the British company Monterrico Metals, was working hard in the northern highlands of Piura in Peru to get its social licence and start the operation of its first copper project. The concerns held by local people about possible environmental degradation as a result of such mining led 1,000 people to march on 1 August 2005 to protest against the mine. They were met by hired thugs who beat a large number of them up; 29 people were held within the mining camp, where they were tortured, and one person was killed. That was done in the name of a mining company that is listed in this country and is therefore considered to be a British company. A number of the women who were detained were sexually abused by the thugs with whom the company had armed itself. There have been some prosecutions and, thanks to the activities of Leigh Day and Co. Solicitors, the human rights lawyers, there has been some compensation. The case was exposed within the British media, too.

The operation of that company has damaged the reputation of this country in Peru in the long term, so the Government must be seen to act to put in place a regulatory system to prevent that from happening again. The least we can do is take on board the amendment proposed by my hon. Friend the Member for Wigan, which states that one factor to consider when overseeing the operation of a company listed in this country is its “ethical corporate behaviour”. In fact, the UN recently suggested that that was the role of member states, which should put in place the necessary legislation and structures. My hon. Friend’s amendment is in line not only with the best interests of human rights and environmental sustainability but with the international obligations being placed on us and preserving the long-term reputation and viability of our financial services industry.

Steve Baker (Wycombe) (Con): The hon. Gentleman makes a compelling case, but are not directors already responsible under the Companies Act 2006 for many of the matters he raises? Would it not be more expedient to pursue directors?

John McDonnell: I understand where the hon. Gentleman is coming from but we have tried that and it has not worked. We sought under the recent Companies Act to increase the responsibilities on directors, but unfortunately we were unsuccessful. The evidence that came to the London Mining Network report, which I shall send to the hon. Gentleman, clearly shows that the existing system is not working, and this Bill provides an opportunity to enhance the powers of the regulatory authorities in this country.

My hon. Friend the Member for Wigan (Lisa Nandy) will not push the amendment to a vote. I understand why, although I am a bit more proactive on these matters. May I suggest to the Minister that the Government usefully look at the report and bring together the relevant representatives, including the existing authorities and the new individuals who will sit on the various authorities when the Bill has gone through, to discuss where we go from here? How do we ensure that we have an effective mechanism that includes the monitoring of corporate ethical behaviour within companies that are listed in this country and that gain all the advantages from that, such as reputational advantage, but that are doing our country a disservice through their operations in the developing world?

The Financial Secretary to the Treasury (Mr Mark Hoban): I am grateful for the opportunity to reply to this debate. The hon. Members for Wigan (Lisa Nandy) and for Hayes and Harlington (John McDonnell) have raised some very important issues and there is a lot of truth in what they say. The reputation of the UK listing regime depends partly on the behaviour of companies, and we need to think about that quite carefully. However, there are other forums in which these issues should be explored—I do not believe that the Financial Services Bill is the place for it. In the regulatory reforms we have brought forward, we have tried to be very clear about the responsibilities and focus of the new regulators, the Financial Conduct Authority, the Prudential Regulation Authority, and the macro-prudential body the Financial Policy Committee.

Matters of stewardship and corporate behaviour are predominantly the responsibility of the Financial Reporting Council, which is responsible for the stewardship code and corporate governance issues. I encourage both hon. Members to engage with the FRC on this issue. Of course, it is not only the FRC that is relevant. The hon. Member for Hayes and Harlington talked about the mining sector, and the Government are engaged in that debate. We are a strong supporter of transparency in the extractive sector and we are pressing for requirements to be placed on EU extractive companies to disclose the payments they make to Governments. That is flowing from the accounting and transparency directives. We are also very supportive of the extractive industries transparency initiative, under which companies publish the payments they make to companies in resource-rich countries, so we are aware of the need to increase transparency.

Lisa Nandy: I am grateful to the Minister for giving way, but I urge him to speak to his colleagues, particularly in the Foreign and Commonwealth Office, because this amendment is supported by a wide range of organisations. They include investors and members of the business community, as well as non-governmental organisations that represent those whose lives have been so appallingly blighted by some of the companies that my hon. Friend the Member for Hayes and Harlington (John McDonnell) and I have been discussing.

Mr Hoban: The hon. Lady makes a good point, and if my colleagues in the Foreign and Commonwealth Office are not reading this debate carefully I shall certainly raise the matter with them and ensure that they think carefully about their role. I encourage her to speak to the FRC about these issues.

Mr Andrew Love (Edmonton) (Lab/Co-op): The Treasury Committee interviewed members of the Financial Reporting Council this morning. They explained to us that their powers are about implementing or explaining and that they do not have powers to deal with companies that break the rules in this regard. Would it not therefore be appropriate to involve a body such as the FCA, which really could deal with implementation?
Mr Hoban: As my hon. Friend the Member for Wycombe (Steve Baker) highlighted, there is a responsibility on directors and there are criminal sanctions for criminal behaviour. We need to be very careful that we do not duplicate powers that already exist elsewhere and that we do not confuse the role of the regulators. It was the Treasury Committee that highlighted some of the problems in the existing regulatory system with the confusion of roles and remits. We want to be very clear in these reforms about what we seek to achieve.

The FSA—and in future the FCA—has a role to play. The FSA supports the FRC’s stewardship code through mandatory requirements on asset managers to disclose the nature of their commitment to the stewardship code or to explain their alternative investment strategy. Those powers will transfer to the FCA.

John McDonnell: I hope that what the Minister just said was helpful. Is he saying that the stewardship role that he envisages for the FCA will include an element whereby judgments can be made about behaviour in terms of corporate ethics?

Mr Hoban: I am saying that what we need to ensure in terms of the stewardship code, and what the FCA does, is to require asset managers to disclose the nature of their commitment to the stewardship code or to explain their alternative investment strategy, so the obligation is on asset managers rather than necessarily on companies themselves to disclose their adherence to stewardship matters.

John McDonnell: Will the Minister give way?

Mr Hoban: Yes, but I want to make some progress.

John McDonnell: All right, I will not be a pain any further. To be frank, that does not move the matter on. The Minister need not give an answer on this tonight, but it would be incredibly helpful if he or one of his colleagues met my hon. Friend the Member for Wigan (Lisa Nandy), me and representatives from the London Mining Network to talk this issue through because there is clearly a gap between the different institutions, which corporate ethics seem to fall down when it comes to their being pragmatically adhered to.

Mr Hoban: I am always loth to offer meetings on behalf of colleagues, because it has happened to me, but the hon. Gentleman may wish to approach the Minister with responsibility for consumer affairs, who is also responsible for corporate governance and the role of the FRC. That might be the most productive furrow to plough.

On amendment 38, the hon. Member for Nottingham East (Chris Leslie) is absolutely right that we have heard it before. It is identical to amendment 150, which we discussed at some length in Committee before rejecting it. I do not think his arguments today were any more persuasive than they were a few months ago. I know that he will find that personally disappointing but I am sure he will get over it. In short, the objectives of each authority are broad enough to enable them to make the rules suggested in the amendment.

More generally, these issues are better considered in other forums, including those concerned with governance across the corporate sector. I also point out gently to the hon. Member for Nottingham East that the Department for Business, Innovation and Skills recently consulted quite widely on executive remuneration and that it included in that consultation both the suggestions that have been made, neither of which received significant support. [Interruption.] The hon. Member for Nottingham East says that it depends who we consulted but it was an open consultation. Views were encouraged from across a wide range of bodies, including investor organisations, and I am sure that institutions such as the TUC and others would have taken part. I know that the Treasury Committee is also looking into this matter, so perhaps the hon. Member for Edmonton (Mr Love) can illuminate us about the conversations he has had this afternoon with Baroness Hogg.

Mr Love: I thank the Minister. What we were told today was that remuneration committees draw from a very select pool and are heavily influenced by the argument that their chief executive has to be at or above the average of all chief executives and that comparisons are made directly with the United States, which may be inappropriate. It was also made clear to us that we should widen that pool. One suggestion of how that could be done was to put an employee on the remuneration committee. If that is not acceptable, how is the Minister going to address this problem?

6 pm

Mr Hoban: That is why the Government have embarked upon a consultation to look at ways to enhance the accountability of boards to their shareholders, looking particularly at the issue of executive pay. That is a welcome move and the Government will shortly respond formally to the responses to that consultation. I agree with the hon. Member for Nottingham East that shareholders must play a more powerful role in these issues, and in recent months they have put across their views more powerfully.

The hon. Member for Nottingham East spoke about the disclosure of voting patterns. As he mentioned, there is provision for such a power in the Companies Act 2006. The previous Government made it clear that they would use the power only if market practice did not improve. The outcome of the stewardship code has been to encourage institutional investors to vote more and to disclose that. The latest Investment Management Association survey of institutional investors shows that 66% of those surveyed now publish their voting records. That is up from 21% in 2004. Professor John Kay, in his review of equity markets and long-term decision making, is considering the issue and will report in the summer.

Let me move on to Government amendments 7 and 8 and Opposition amendment 73. Amendment 8 makes two minor technical corrections and allows firms and the Financial Ombudsman Service to make referrals to the FCA on matters of mass detriment. Amendment 7 deals with super-complaints. The new provision in the Bill for the FCA to receive super-complaints from designated consumer bodies has been widely welcomed. I am grateful for the scrutiny provided in Committee and in particular for the arguments made by the hon. Member for Makerfield (Yvonne Fovargue), who is in her place, who tabled an amendment in this connection.
It has never been the Government's intention that the super-complaints mechanism could be made available to bodies whose purpose is to represent professional investors, but the debate in Committee highlighted the fact that the drafting would allow that. The amendment therefore revises the definition of "consumer" used in the super-complaints mechanism to exclude representatives of authorised firms.

Amendment 73 seeks to require the Government to introduce a provision allowing for collective proceedings for small and medium-sized firms and to give them access to super-complaints. The amendment has created confusion in the minds of hon. Members about the rights currently available to businesses to make complaints.

Mr Love: My hon. Friend the Member for Warrington South (David Mowat) picked up in his interventions the confusion that amendment 73 has created. The FSA has the power to take action to help businesses which feel that they have been mis-sold products and to ensure that restitution can take place.

On paragraph (b) of amendment 73 about the rights currently available to businesses to make complaints. Paragraph (b) of the amendment suggests that small and medium-sized businesses cannot make complaints. That is not the case, but I shall return to that.

I deal first with collective proceedings. The Government are consulting on a range of proposals to make it easier for consumers and small businesses to bring private actions in competition law, including on whether to extend to businesses the current right of consumers to bring a collective action following a breach of competition law, and whether to make it easier to bring such actions. We should take the opportunity to learn from the outcome of that consultation and reflect on what the implications might be for the financial services sector before proceeding to legislation. It would not be appropriate to legislate today in haste, without having consulted.

On access to super-complaints, the provisions in the Bill will not prevent bodies representing small and medium-sized enterprises which fit the relevant definition of consumers from making super-complaints. Within the new statutory framework the issue of what type of consumer body should have access to super-complaints is complex and will require more detailed criteria than can be set out in the Bill. These criteria will be of interest to parliamentarians and to organisations seeking to become super-complainants. I can therefore announce to the House that the Treasury will publish draft criteria for consultation later in the year.

On paragraph (b) of amendment 73 about the rights of small and medium-sized businesses to make complaints to the FSA, there has been much discussion about the mis-selling of interest rate hedges. I do not want to comment on that directly, as it is a matter for the FSA. However, I can point out that the FSA already has a powerful toolkit that can be very effective. That includes its powers to establish industry-wide or firm-specific redress schemes under section 404 of FSMA, which was recently used in the case of Arch Cru. The FSA is consulting on such an arrangement to help people who lost out as a consequence of the issues at Arch Cru.

The FCA will have the powers that the FSA already has to refer firms to enforcement, to use supervisory measures, to agree with or require a firm to undertake the necessary remedial action, including carrying out a past business review, and the payment of redress, or obtaining redress for firms through their use of their restitution powers under section 384 of FSMA. There are therefore provisions in place that will help the FSA to tackle complaints of mis-selling that businesses as well as consumers have brought to it. I hope that provides the clarity and reassurance that my hon. Friends are looking for.
The Prime Minister had plenty of warm words in January enough for the Government to rebut such questions. Our amendments on stewardship issues. It is not good those tabled by the Opposition. We will support the Government amendments and reject are technical changes and I hope that hon. Members if it is the type of claim specified by the scheme. These in particular provide for a claim to be entertained only if it is the type of claim specified by the scheme. The amendments ensure consistency with section 214(1)(g), which provides that the scheme may activities. The amendments ensure consistency with FSMA whereby the FSA is not required to make the necessary action to ensure that consumers get a fair deal. The Bill takes that one step forward and that is why we have been keen to ensure that we give the FCA more powers, which it has demonstrated the appetite to use.

Amendments 5 and 6 require the FCA and the PRA to publish a statement explaining how they consider the regulator's duty in that regard, and I committed to tabling the appropriate amendments when the Bill returned to the House. I am sure that the hon. Gentleman will be keen to support them.

Amendments 13 and 14 are minor and technical and are designed to maintain a position currently provided for in FSMA whereby the FSA is not required to make rules for the FSCS that provide cover over all regulated activities. The amendments ensure consistency with section 214(1)(g), which provides that the scheme may in particular provide for a claim to be entertained only if it is the type of claim specified by the scheme. These are technical changes and I hope that hon. Members will support the Government amendments and reject those tabled by the Opposition.

Chris Leslie: I am sorry that the Minister has not reacted to the importance of the issues in the amendments that we have tabled today, particularly when it comes to the need for small firms to have a greater capacity to complain or to make collective proceedings where there is lack of clarity about their capability to do so. The issues were raised not only by the Opposition; Government Members also felt it necessary to clarify these issues. The Minister should at the very least have committed to write to hon. Members so that they could pass on to their constituents a clear route map for communicating some of these questions, such as interest rate swap mis-selling. All we sought was that small firms that feel aggrieved should have their concerns taken seriously as consumers of financial products, but hopefully the point has been made in the debate.

I am sorry that the Minister felt it necessary to reject our amendments on stewardship issues. It is not good enough for the Government to rebut such questions. The Prime Minister had plenty of warm words in January when this issue was high on the media agenda, but we have seen precious little action subsequently. The Government are not taking the stewardship issue seriously and it is important that they do so, particularly with regard to the remuneration committees of some of the largest corporations and our banks and the idea that these obscene bonuses and excessive pay packages can continue to roll on. As my hon. Friend the Member for Edmonton (Mr Love) said, the remuneration committees are self-perpetuating. Would it not be a good idea to broaden them out and try to put an employee voice on their panel, and make sure that they appointed consultants in a way that did not conflict with their own management's vested interests?

After we have voted on amendment 40, which we debated on day one of Report, on the need to regulate some of the excessive high-cost credit arrangements, I will press to a Division amendment 38 on remuneration committees, because it typifies one of those areas on the stewardship agenda where we need to see action most swiftly. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 22

Rules and guidance

Amendment proposed: 40, page 80, line 2, at end insert—

(2A) The FCA may make rules or apply a sanction to authorised persons who offer credit on terms that the FCA judge to cause consumer detriment. This may include rules that determine a maximum total cost for consumers of a product and determine the maximum duration of a supply of a product or service to an individual consumer.'.—(Stella Creasy:)

Question put, That the amendment be made.

The House divided: Ayes 225, Noes 266.

Division No. 8] [6.15 pm

AYES

Abbot, Ms Diane 
Abrahams, Debbie 
Ainsworth, rh Mr Bob 
Alexander, rh Mr Douglas 
Alexander, Heidi 
Allen, Mr Graham 
Anderson, Mr David 
Ashworth, Jonathan 
Austin, Ian 
Bailey, Mr Adrian 
Bain, Mr William 
Balls, rh Ed 
Banks, Gordon 
Barron, rh Mr Kevin 
Beckett, rh Margaret 
Benn, rh Hilary 
Benton, Mr Joe 
Berger, Luciana 
Betts, Mr Clive 
Blears, rh Hazel 
Blenkinsop, Tom 
Blomfield, Paul 
Blunkett, rh Mr David 
Brennan, Kevin 
Brown, Lyn 
Brown, rh Mr Nicholas

Brown, Mr Russell 
Bryant, Chris 
Buck, Ms Karen 
Burnham, rh Andy 
Byrne, rh Mr Liam 
Campbell, Mr Alan 
Campbell, Mr Gregory 
Campbell, Mr Ronnie 
Caton, Martin 
Clark, Katy 
Clarke, rh Mr Tom 
Clwyd, rh Ann 
Coaker, Vernon 
Coffey, Ann 
Conran, Michael 
Cooper, Rosie 
Corbyn, Jeremy 
Crausby, Mr David 
Creagh, Mary 
Creasy, Stella 
Cruddas, Jon 
Cunningham, Alex 
Cunningham, Mr Jim 
Cunningham, Tony 
Curran, Margaret 
Dakin, Nic
Danzuck, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dods, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliot, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Fiellow, Robert
Flynn, Paul
Foveaux, Yvonne
Francis, Dr Hywel
Galloway, George
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Godsmidh, Zac
Goodman, Helen
Greatorex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hood, rh Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Iranna-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, rh Mr Kevan
Jones, Susan Elan
Jowett, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark

Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Lwyd, rh Mr Elynn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Maclaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKeechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Mears, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme (Livingston)
Morris, Grahame M. (Easington)
Musgrave, Mr George
Murphy, rh Mr Paul
Muray, Ian
Nandy, Lisa
Nash, Pamela
O’Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raysford, rh Mr Nick
Reckless, Mark
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, John
Robertson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Straw, rh Mr Jack
Stringer, Graham
Sutcliffe, Mr Gerry
Thomas, rh Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walker, Joan
Watson, Mr Tom
Watts, rh Mr Dave
Weir, rh Mr Mike

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, rh Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, rh Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burston, Paul
Burt, Lorely
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishilt, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey

Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishtart, Pete
Wood, Mike
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mrs Jenny Chapman and
Mr David Hamilton

NOES

Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Davey, rh Mr Edward
Davies, David T. C. (Monmouth)
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dyke-Pric, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evernett, Mr David
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Fox, rh Dr Liam
Freer, Mike
Fullbrook, Lorraine
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Question accordingly negatived.

Amendment proposed: 38, page 82, line 10, at end insert—

‘(c) provide for a requirement that an employee representative should be a member of the remuneration committee of a relevant body corporate, and

(d) provide for a requirement that the remuneration consultants advising on remuneration policy shall be appointed by the shareholders of a relevant body corporate.’.—

(Chris Leslie.)

Question put. That the amendment be made.

The House divided: Ayes 224, Noes 285.

Division No. 9

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, Mr Douglas
Alexander, Heidi
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailie, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berg, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clywd, rh Ann
Coaker, Vernon
Coffey, Ann
Walker, Mr Charles
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
White, Chris
Whittingdale, Mr John
Wiggin, Bill
Willett, rh Mr David
Williams, Mr Mark
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George

Tellers for the Noes:

Stephen Crabb and

Jenny Willott

Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Danzuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doye, Gemma
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Durkan, Mark
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Edwards, Jonathan
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Ellman, Mrs Louise
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Fitzpatrick, Jim
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Fovargue, Yvonne
Francis, Dr Hywel
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Glindon, Mrs Mary
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Chris Leslie: I beg to move amendment 72, page 130, line 38, at end insert—

(i) if the complaint would fall within the compulsory jurisdiction or the consumer credit jurisdiction, the ombudsman would be likely to make an award or give such a direction.

(ii) section 227 provide for the making of an award against a respondent or the giving of a direction of section 229(2)(b), or

(iii) if voluntary jurisdiction rules made for the purposes of section 227 provide for the making of an award against a respondent or the giving of a direction that a respondent take certain steps in relation to a complainant, and the complaint would fall within the voluntary jurisdiction, the ombudsman would be likely to make such an award or give such a direction.

—(Mr Hoban.)

Clause 45

INTERPRETATION OF FSMA 2000

Amendment made: 9, page 128, line 30, at end insert—

(i) omit the definition of “notice of control”;—

(Mr Hoban.)

Clause 47

MUTUAL SOCIETIES: POWER TO TRANSFER FUNCTIONS

This simple amendment suggests that within six months of Royal Assent the Treasury should bring forward proposals to foster diversity in financial services and promote mutual societies. For the avoidance of doubt, Mr Deputy Speaker, I should declare that I am not only a Labour Member of Parliament but a Labour and...
Co-operative party MP. Inasmuch as there are interests involved in that, I am proud to support the Government's stated intention to promote mutuals. I have before me page 9 of the coalition agreement—I am sure that all hon. Members have it emblazoned on the walls of their offices—where it says:

“We will bring forward detailed proposals to foster diversity in financial services, promote mutuals and create a more competitive banking industry.”

It is perhaps not clear that the Prime Minister, the Chancellor and the Minister remember that they made that commitment. Therefore, in an act of generosity—the Minister will recognise the positive spirit in which we have tabled the amendment—we felt it important to suggest that the Treasury might want to enshrine that coalition pledge in statute and to make arrangements to measure the progress that it is making in promoting the mutual societies model. For example, each year the Treasury could publish the number of members of mutual societies so that we could see whether good progress was being made, and publish the market share of the mutual society sector as a proportion of UK financial services.

The amendment is fairly innocuous, and I hope that it can gain some cross-party support. After all, let us not forget that the mutual sector is all about ensuring that members own and govern their own financial institutions, have a stake in their future, and can set their agenda. That member-owned and member-governed ethos rightly ought to be promoted. Sadly, we have a small mutual sector, but it should be encouraged to grow, and that is the purpose of the amendment.

6.45 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): My hon. Friend is right to say that the Government made that commitment in the coalition agreement. Following their decision not to take seriously the case for Northern Rock to be converted into a mutual, many people, like him, doubt the coalition’s commitment to financial diversity. Is that not a further reason for the Government to take seriously his amendment to put right what they might see as a mistake in the public mind?

Chris Leslie: I thank my hon. Friend, who is entirely correct. He is an assiduous campaigner for the mutual sector and the mutual model, and he knows more than most about the Government’s failures over the past two years to make headway on this issue, on which they made a promise that remains to be fulfilled. Indeed, he recently wrote an article about how the Queen’s Speech should have been an opportunity to promote the mutual sector and the mutual model, and he knows more than usual about the Prime Minister, the Chancellor and the Minister, who remember that they made that commitment. Therefore, in an act of generosity—the Minister will recognise the positive spirit in which we have tabled the amendment—we felt it important to suggest that the Treasury might want to enshrine that coalition pledge in statute and to make arrangements to measure the progress that it is making in promoting the mutual societies model.

David Rutley (Macclesfield) (Con): The part of the Bill before us is mainly about transferring powers between the FSA, the FCA and the Prudential Regulatory Authority, and adding new powers, so I am not sure that it sits very well with the hon. Gentleman’s amendment. Will he explain in more detail why legislative measures are required when such objectives can be measured in other ways?

Chris Leslie: We are trying to ensure that the Government fundamentally address the question. These provisions give the Minister and the Treasury the power to make by order amendments to many of the rules, statutory instruments and suchlike that affect mutual societies. We think that they should have the capability to measure progress on mutuality in order to help to smooth progress towards fulfilling the coalition’s pledge.

Given that we have before us a financial services Bill, our constituents would expect us to be talking about firm and defined measures to make progress on diversifying the financial services sector. Unfortunately, they would be disappointed by the Treasury’s progress on that. The Treasury website has a very scant, short set of paragraphs stating the coalition agreement’s desire to promote mutuals. It says:

“The Treasury is developing policy and delivering legislative changes to…meet this aim.”

That is basically it—a statement but no substance. I want the Minister to tell us what progress is being made in fulfilling that objective. It is not good enough merely to talk about consolidating existing rules or legislation and wrapping that up as though the Law Commission’s recommendations somehow fulfill Government promises. We want to see more action.

Geraint Davies (Swansea West) (Lab/Co-op): Given that there is an appalling sovereign debt crisis in Europe affecting Greece, Spain, and so on, with the possibility of contagion, and given that we learned the lessons about the stability of mutuals following what happened in 2008, does my hon. Friend agree that it is remarkable that the Government are not pressing forward to reduce such risks by increasing diversity and promoting co-operatives?

Chris Leslie: My hon. Friend is entirely correct. When the Government have an opportunity to return to the market state-owned assets that the Treasury took in the height of the financial crisis, they simply look for a return to the vanilla plc model. They take a business-as-usual approach rather than taking the opportunity to rethink how we might have diversity in the financial service sector and in business operations. Yes, we need some organisations run on a plc model, and we have plenty of those, but why not think about opportunities to promote the non-profit or mutual sector? Northern Rock was a classic case in point. No adequate consideration was given to that option. A member buy-out suggestion would have been entirely feasible, but it was not considered seriously enough.

At this point, I pay tribute to the all-party group on building societies and financial mutuals. It made a series of recommendations a year ago, urging the coalition to adopt “a comprehensive policy strategy to implement its Coalition Agreement commitment to promote mutuals.”
[Chris Leslie]

It stated that the Treasury should be proactive in promoting the interests of financial mutuals within the Government. One of the first conclusions in the summary of its report was:

“HM Treasury appears to have taken a reactive stance to the mutual sector beginning to deal with important issues such as building society capital, but little else of substance.”

I do not want to labour that point, because time is short.

Mr Mike Weir (Angus) (SNP): For cross-party purposes, may I say that we will support the hon. Gentleman’s excellent amendment? It is important to push forward credit unions, in particular, as an alternative to high street lenders, which are currently not lending to many people. The Treasury needs to take a more proactive approach to building up existing credit unions as well as creating new ones.

Chris Leslie: The credit union sector deserves far more support and encouragement than it receives, and previous Governments of all parties have failed to do enough to promote it. The demutualisation agenda of the 1980s and early 1990s significantly reduced the size of the building society sector, and compared with other developed countries mutual providers have a very small market share, particularly in the financial services sector.

Geraint Davies: We used to hear about the share-owning democracy, but there have been tidal shifts in people’s desire to take risks and own shares. Does my hon. Friend agree that we have a moment in time at which we can change direction and have more diverse ownership among the population and a new culture of business? The Government are missing a trick.

Chris Leslie: Now is the time to think about the culture change that we want to see in the financial services sector. Yes, there are some good plc structures, but we have an insufficiency of good mutuals, building societies and so on. There should be new entrants of that type, and current ones should grow to provide some proper competition to the big banks.

Mr Thomas: Perhaps the hon. Gentleman could describe how the amendment would in some way create greater diversity in the financial services sector, and it is important that he is held to account.

Steve Baker: Looking at the amendment, I wonder whether it illustrates the tensions in the contemporary labour movement. On one hand, this should be a time of celebration for all those who believe in mutuality, co-operatives and voluntary self-help, because Members of all parties are signed up to the idea. There is a Conservative co-operative movement, and many of us are very serious about it. On the other hand, Labour insists on top-down control and state direction. It wants to enshrine in legislation measurement, management and the direction of Ministers’ performance.

Is it not time that, rather than insisting on the production of numbers and pretending that the Financial Secretary can direct people to help one another voluntarily and mutually, we eliminated barriers to entry, accepted spontaneous order and encouraged people to build up the bonds of friendship and mutual co-operation? Ministers cannot direct or legislate for those bonds.

Mr Thomas: Will my hon. Friend give way?

Chris Leslie: How can I fail to give way to my hon. Friend?

Mr Thomas: My hon. Friend is being characteristically generous. One big concern examined in some detail in the all-party group report that he mentioned was about the future of friendly societies. Does he agree that the debate provides the Financial Secretary with a good opportunity to set out how the Treasury is responding to concerns about the effect that a particular interpretation of case law by the Financial Services Authority is having on the future of friendly societies? Their proportion of the insurance market is at risk of going into reverse because of how the FSA has approached the matter, and the amendment may well help to achieve a culture change in the FSA and get its lawyers to adopt a slightly more helpful mindset.

Chris Leslie: It is important that we have some metrics by which to measure the Financial Secretary’s performance on his coalition agreement. After all, it is there in black and white—the Government said they would bring forward not just proposals but detailed proposals for promoting the mutual sector. This is his moment. We want him to explain to us what those measures will be. I am sure he does not believe in putting such promises in an agreement straight after an election and then letting them drift as though they did not need to be attended to. Many people want to see greater diversity in the financial services sector, and it is important that he is held to account.

Steve Baker: I was not suggesting that it would create a barrier to entry. I was suggesting that it would put in place measurement and management. That may well appeal to some people, but if we want spontaneous order, mutual societies and bonds of friendship, we cannot get them by state direction. There is very little point in measuring the Financial Secretary’s performance when we want spontaneous order and the bonds of mutuality. I do not support the amendment, but like many other Government Members, I certainly support the thrust of the Government’s policy.

John Healey (Wentworth and Dearne) (Lab): I congratulate my hon. Friend the Member for Nottingham East (Chris Leslie) on tabling the amendment. He is doing the job that the coalition parties promised to do in the coalition agreement but are failing to do.

I shall remind the House of a quotation from the coalition agreement. That is the benchmark for the action that the Government have pledged to take, so the House and others can judge them on it. It states:

“We will bring forward detailed proposals to foster diversity in financial services, promote mutuals and create a more competitive banking industry.”

I applaud the aim of greater diversity and competition, but missing from that statement is the aim of greater confidence and trust in financial services. My hon. Friend’s amendment captures the aims of diversity, the promotion of mutuals and greater growth in mutuals.
Crucially, it would also require an action plan from the Government within six months. We have not had one after two years. It would also require regular public reports and stock-takes of progress. I say to the hon. Member for Wycombe (Steve Baker) that those reports would be about not the Minister’s progress but the growth of mutuals, the diversity of the industry and the growth of competition in the sector—all the aims that the Government set for reform.

Mutuals bring something quite special—a concern about values, not just valuation. That is the root of the consistently greater levels of confidence and trust demonstrated by those who deal with and borrow from building societies and mutuals compared with those who deal with their corporate competitors. Mutuals display a prudence born of concern for and knowledge of their members. If we look back over the past several years, we see that building societies and mutuals have not run the reckless risks that banks and other financial services have. They have not lost their core business purpose and their sense of what they are there to do and who they are there to serve, as many banks and other financial service companies have. Mutuals did not need a public bail-out and did not cost the UK taxpayer billions of pounds to make up for their mistakes like others in the banking and financial services sector did.

7 pm

With that caution, however, there is also innovation. Some of the small, local building societies that are active in many of our constituencies across the country have seen their market share increase since the global financial crash. They have been ready to lend to local people—the people they know and serve best in housing markets they know best—in a way that many large, commercial multinationals cannot. They have innovated by linking with local house builders—companies with which they have an established relationship and of which they have a knowledge that cannot be matched by many of their big competitors.

It is not only the smallest of our local building societies that has demonstrated innovation in recent years: the largest of our national building societies—the Nationwide—was one of the founder lenders in the Government’s NewBuy scheme to support first-time buyers who do not have the capital that family members sometimes provide to help people meet the deposit requirements of many lenders. There are problems and flaws with the scheme, but I want it to work, and I welcome the fact that Nationwide was one of the founder lenders to get that innovation up and running.

Building societies and mutuals are the unsung success of our British financial services—they are unsung by a Government who promised to do the opposite.

Mr Thomas: Is not one of the unsung successes of the building society movement that it has sought to maintain an effective and broad-based branch network in the communities from which they grew, which sadly is not necessarily something that can be attributed to the major banks? There were wholesale bank branch closures in the last generation, and they are beginning again.

John Healey: My hon. Friend, who knows far more about this matter than me and many in the House, is absolutely right. At a time when a loss of trust and confidence in financial services is evident across the board, that local presence and face-to-face relationship counts for a great deal.

John Hemming: Amendment 72 is a permissive amendment, and yet clause 47(3)(f) mentions “making provision that appears to the Treasury to be necessary or expedient in consequence of the provisions of this Act.”

What will the amendment enable the Government to do by order that is not already possible under that measure?

John Healey: I am disappointed in the hon. Gentleman, because he, too, has a strong track record on this matter, and that sort of nit-picking misses the point of the amendment. The point of the amendment is to hold the coalition parties in the Government to their coalition pledge, which he is unable to do. It is a way of making public two years of failure and saying, “Within six months, you must do better.”

John Hemming: The amendment does not make the Government do anything, because clause 47 states that the “Treasury may by order amend the legislation”.

If the Treasury does not want to do so, it does not have to do so. The amendment does not hold the Government to account. No wonder you are failing as an Opposition; your amendments are badly drafted.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am not failing as an opposition, so I do not think that is parliamentary.

John Healey: I have not seen the hon. Gentleman’s amendments to make the measure not permissive, but a requirement of the Government—Mr Speaker must not have selected it. Clearly, anything in statute would be a significant step forward, as the shadow Minister, my hon. Friend the Member for Nottingham East, has argued. Those on both sides of the House who have an interest could use a permissive measure in future.

John Hemming: Does the right hon. Gentleman believe that we make a man any taller by measuring his height?

John Healey: No, but by measuring height, one makes a statement that height matters. The amendment makes a statement that the coalition pledge on mutuals, and on greater diversity and competition in financial services, matters. That is the purpose of the amendment and the debate. I hope that my hon. Friend presses it to a Division because it will expose the Government’s complacency in making promises and failing to live up to them.

Mark Durkan (Foyle) (SDLP): I wanted to respond to the hon. Member for Birmingham, Yardley (John Hemming), who seems to rest everything on clause 47(3)(f), on the basis that it could easily include what the amendment proposes. In the same vein, paragraph (f) could mean that there is no need for paragraphs (a) to (e) because it is all encompassing.

John Healey: I am grateful to my hon. Friend, who has an eye for detail that I cannot match—it almost matches the eye of the hon. Member for Birmingham, Yardley (John Hemming).
Geraint Davies: The amendment requires the Government to measure the number of mutuals and their share of the market. In so doing, it brings the Government to account. If there is no point to that, and if we want only what the hon. Member for Wycombe (Steve Baker) called “spontaneous order”, we would not have the Office for Budget Responsibility, and we might as well forget measuring and management. The amendment seeks to bring the Government to account, and should therefore be supported.

John Healey: There is a saying that what is measured matters, and if it matters, measure it. In many ways, that is the core of the argument being made by Opposition Members.

Sixteen per cent. of those who aspire to own their own home and who borrow to buy do so from building societies. Roughly one in six of us borrows our mortgage from a building society. That significant market share is gradually growing. That is why I have argued that building societies are the unsung success of British financial services. They are certainly unsung by a Government who promised to be their champion.

In my view, building societies are the quiet strength of British financial services, but it is time that that strength was properly supported by Government policy and action. Mutuals look at the coalition agreement and point to the words on the paper, but they cannot point to the action that followed. The amendment is designed to force the hand of the Minister, the Treasury and the Government. I am surprised that it finds any objection on the Government Benches, because it simply seeks to hold the Government to the promise they made to benefit each other and society as a whole in relation to the most fundamental aspects of property and insurance, without excessive profits, or indeed any real profits, for the people who put it together. That does not mean that I am against capitalism. Indeed, those who promoted mutual societies were invariably capitalists, and I count my own family in that number. William Cash founded the National Provident with the Lucas family, and the Cadburys were much involved in similar objectives. A raft of Quakers and other Dissenters were integral to the development of this incredibly important movement, which changed the face of society in the 19th century. We could do with that now.

Some five years ago, I wrote a letter to The Times, criticising aspects of the manner in which the banking system had given way to greed and self-indulgence. The Minister knows my views on the subject of the transfer of jurisdiction from the City to Brussels, including the point that legislation is no substitute for self-help. My hon. Friend the Member for Wycombe (Steve Baker) understands that better than anyone else. Indeed, Samuel Smiles, who wrote the famous book on self-help, was devoted to all these objectives because he knew that individual responsibility, operating within the framework of co-operatives and mutuals, would and should provide the kind of society that is worth living in. I put it as high as that, because to me this is a moral objective. We do not talk enough about morality. Law is no substitute for morality.

Mr William Cash (Stone) (Con): I have found this debate both curious and inconsequential in many respects. There has been a great deal of talk about the technicalities of achieving the objective, but not, as far as I can judge, a great deal about the reasons why mutual societies are so important. However, I share the view expressed by the right hon. Member for Wentworth and Dearne (John Healey) that the coalition agreement, of which I am not an uncritical observer, clearly stated that there should, in effect, be support for mutuals.

I declare an interest, because my family founded the Abbey National building society and the National Provident in the 1830s and later in the 19th century. The Abbey National is now Santander, and we need only look at what is happening in Spain to hope that there is some ring-fencing for its customers in the United Kingdom. The reason why mutuals are so important is the same reason why John Lewis is so important. It is the reason why the co-operative movement, which was founded in Rochdale—I do not apologise for also pointing out that that was where John Bright was born—is important. The Rochdale co-operative movement was the means whereby people could buy houses that they could not otherwise afford.

I have always been very much in favour of the right to buy, because having a property stake is important for individual responsibility. The great thing about the mutuals—and it still pertains, because they still exist, but need to be enhanced, improved, developed and encouraged—is that they enable people to come together in a proper and balanced relationship, with a sense of individual responsibility and, by co-operating together,
aegis of the law of this land, or under the jurisdiction of Brussels. It does not make much difference, because law is no substitute for proper behaviour.

The problem of the last 40 or 50 years is that more and more legislation has been passed, as I said in my letter to The Times, which has narrowed the competence of those who are subject to it and increased its complexity to the point where there are literally acres of pages of legislation, most of which is completely impossible to understand for anybody except that unique bunch of people who happen to make a great deal of money from it in the City. I am not criticising them for taking advantage of that—law has always required interpretation—but I am certainly criticising successive Governments, including the Government who preceded this one, for piling on more and more complicated legislation, which requires the attention of an amendment of the kind before us tonight.

The amendment is permissive, but then the provision itself is permissive. Legislating to provide for amendment of other legislation in relation to mutuals will not necessarily be in any way improved by interpretation in the courts of the words “the integrity objective is: protecting and enhancing the integrity of the UK financial system...The integrity of the UK financial system includes...its soundness, stability and resilience...its not being affected by behaviour that amounts to market abuse...the orderly operation of the financial markets, and...the transparency of the price formation process”.

This is legal jargon that will be interpreted by the courts. Will it make any difference, though, if mutuals are not fostered, developed and encouraged in line with what the coalition agreement originally stated? Will it produce the intended result—that people spontaneously and with moral purpose determine the new kind of society we move into?

Mr Thomas: Will the hon. Gentleman accept that one lesson regarding the regulation of building societies, friendly societies and other financial mutuals arising from the inquiry by the all-party group on building societies and financial mutuals, to which my hon. Friend the Member for Nottingham East (Chris Leslie) referred, was that regulators did not put enough time and effort into understanding the mutuals market and that this simple amendment will help to prevent a repeat of that scenario?

Mr Cash: It may well. It behoves the Government to take this kind of amendment very seriously, despite drafting imperfections. It is important to the integrity of our financial system and, above all else, the sense of individual ownership in a mutual context for this movement not merely to be nudged along but to be massively encouraged. The more people have a stake as a result of being in a mutual condition, the better society will be.

I am completely in favour of capitalism—that might disappoint Opposition Members—but each category of activity in financial markets requires its own remedy, and the mutual system is vital to ensuring that there is a proper balance in society and that those who, for one reason or another, cannot get on to the capitalist ladder in the way that some can have the benefit of mutuals and can share in the prosperity that others provide. I regard that as a very important objective.

Even if the amendment is not perfect, the intention behind it is important. Wrapping the whole thing up in jargon—some of us are very familiar with jargon—will not solve the real problem in the way that mutual societies can. I hope, therefore, that the Minister will give careful attention to the objectives and purposes of mutuals, in the context of the amendment, and not simply say that the Opposition are talking nonsense or that the Opposition spokesmen are trying to be troublesome and criticise the coalition agreement. It is time we grew up, actually. By that I mean that instead of constantly talking about the Opposition as if they were simply trouble making and mischievous, we should recognise that in such matters we are trying to achieve something worth having.

Chris Leslie: Hear, hear!

Mr Cash: The Opposition spokesman says “Hear, hear”, but I do not want to give him too much encouragement. We need to understand, however, that the objective behind the Opposition’s amendment is important, not because of party politics but because it is about having a stable, good and fair society. That is what we should all be seeking.

Mr Andrew Love (Edmonton) (Lab/Co-op): It is a great pleasure to follow the hon. Member for Stone (Mr Cash), whose strictures I shall try to address. First, however, I want to appeal to the Minister, who, I know, is personally sympathetic to mutuals: this will be a modest contribution that tries to reflect his own coalition manifesto commitment to foster diversity and promote mutuals. In answer to the hon. Member for Wycombe (Steve Baker), I say that the amendment seeks to do that by trying to measure the strength and complexity of the mutual movement using the regulator.

No one has said why we would want to foster diversity and promote mutuals. I want to address that question, because it goes to the crux of what the hon. Member for Stone talked about. First, members benefit greatly from membership of mutuals. The tables of the best savings rates or lowest mortgage rates are populated by mutuals, which provide basic but risk-averse financial services—exactly what the ordinary consumer is looking for. Of course, the reason they can provide such services is that they do not have any shareholders and, therefore, no demands for dividends each year, allowing them to deliver their services efficiently.

Perhaps even more importantly, mutuals provide a consumer benefit by offering a competitive spur in the marketplace. The hon. Member for Stone says he believes in capitalism. I believe in a market system, and competition is a very good spur, and that is exactly what the mutual movement provides. The reduction in the number of building societies has meant that they have not been able to provide a stronger spur, which provides another reason for the amendment.

Mutuals provide choice in financial services. Does someone want a mutual member benefit or to contribute to shareholder value? People will make that choice in all sorts of ways, for all sorts of reasons, but it is important in a marketplace to have choice. We are confident that people will choose mutuals, because all the studies and polling of consumers of financial service show that
mutuals are more popular and, perhaps more importantly, more trusted than their plc rivals. That is a very important consideration.

Why move the amendment now, other than to reflect the coalition agreement? Currently, the marketplace is dominated by the plc model, which is unhealthy. We all know what happened in the lead-up to 2007 and 2008: heightened risk, and the search for yield followed by the credit crunch. I am not suggesting that the Government are not taking steps, including in this Bill and forthcoming legislation this Session, to address some of these problems. I am saying that there developed a monoculture—group-think—in which everybody thought exactly the same. We need to avoid that. This modest amendment will help us to do so.

The amendment will also address the danger of the one-size-fits-all attitude displayed in recent years by the regulator, who did not deal effectively with life funds for friendly societies and mutual insurers. At the heart of the ongoing dispute is the failure to understand the essential difference between a mutual and a plc. The amendment would go some way to address that. The regulator now admits that the Financial Services Compensation Scheme, which was introduced some years ago, got it wrong by basing what each organisation had to pay on deposits, discriminating directly against building societies. There was no understanding or empathy in the regulator to address this issue. The Minister will say to me, “But the FSA has now updated its regulatory role. It’s opened a department to deal with these specific matters.” That is all to be welcomed; however, I hope that the Government will welcome this amendment, which represents a small step towards creating greater understanding and trust in the regulator’s dealings on these matters.

7.30 pm

There is nothing sinister about this amendment. Yes, we couch it in terms of the manifesto commitment, but it is really about recognising that we need diversity in the marketplace, to avoid monocultures developing, to avoid a spur. If we can do all that, this amendment will provide some modest support in ensuring the continuation of the mutual movement in our country—a movement, it has to be said, that is small by international standards. Mutual insurers, along with what we would call building societies, are much more prevalent in other marketplaces—including in the Netherlands, Germany, France and even the United States—than they are here. This modest amendment would go some way to addressing that and ensuring that the consumer—the member—got a fair deal in the marketplace.

John Hemming: I think there are two issues in this debate. First, everybody agrees that mutuals are good. They are good in a number of ways, one of which is that “boring” is good in finance. We need more boring finance—we need things that will not double one day, fall by a half the next, and go bust by next Wednesday. We have had too much “interesting” stuff in finance: we need some more boring stuff. Building societies have always been relatively stable—nothing much has changed; things are gradual, with perhaps a few mergers. Some building societies have suffered as part of the financial problem, and in other countries some credit unions have suffered. I should declare what is perhaps a non-declarable interest, namely my membership of Citysave, Birmingham city council’s credit union.

I think there is a major role for such bodies, if the hon. Member for Stone (Mr Cash) highlighted the issue of people having a stake in society. That is a very good thing, as is the fact that mutuals look to serve their depositors—often they will be depositors and borrowers. To that extent, I welcome the fact that the amendment have raised this issue for discussion. The difficulty is that the amendment—it is a permissive amendment: it allows, for instance, the number of members of mutuals to be counted—is the sort of thing that would be done anyway. A mutual could be sent an e-mail saying, “How many members have you got?” It really does not require a statutory instrument to—[Interruption.] The hon. Member for Nottingham East (Chris Leslie) says from the Opposition Front Bench that the number of members of credit unions is not being tracked. However, the amendment does not require it to be tracked, as he knows.

Mark Durkan: The hon. Gentleman makes the point that this is a permissive amendment, but it is actually an amendment to a permissive clause, which anticipates that there may, for various reasons, be all sorts of changes. However, in transferring the functions relating to disparate types of mutuals and so on, surely it is right to suggest that someone should have regard to ensuring that mutuals as a sector are promoted and that somebody should measure what is happening. If those in the coalition are committed, why do they not want to be able to know or show what is happening?

John Hemming: The amendment does not compel anything to happen; it merely makes it possible, if the Government wish, to change the law if necessary—which it almost certainly is not—to measure the number of members of credit unions. The Opposition may be right that the figure is not being measured, although that would surprise me, as the industry bodies will almost certainly have total numbers of members. If we contacted the Council of Mortgage Lenders, for instance, and asked how many members the building societies in the council had, it would probably give us the answer. Getting the answer should not be that difficult; however, as the amendment does not compel the Government to do anything, it will have no effect if accepted.

I return to the point that we have to welcome the fact that the issue of mutuals is being kept on the agenda. I would be interested if any Opposition Member wanted to liaise with me over the coming months to see whether we could find the answers that the amendment makes it possible to find—which are probably possible to find anyway, if the Government wish to find them. Indeed, I would have thought that the Government would not be that averse to knowing what the market share was.

Chris Leslie: This is a very confusing speech. The hon. Gentleman is in an honoured position, speaking on behalf of the Liberal Democrats. They helped to write the coalition agreement, so he has a responsibility to say what progress is being made on the detailed proposals to promote mutuality. Do the Liberal Democrats agree with that objective, and, if so, what are they doing to achieve it?
John Hemming: I think it is a good idea to encourage mutuality. There is no question about that. As for asking me, randomly, to answer such detailed questions on what the Government are doing, I must admit that I am not a Minister. This is, admittedly, a debate about mutualism, however, and I am quite happy to do a certain amount of research to see whether I can find the answers that the amendment would allow the Government to find—if they wished to do so by changing legislation, which almost certainly is not necessary.

That brings us to the nub of the problem with such an amendment. It would have almost no effect, because if the Government wanted to find out how many members the building societies had, they would simply ask the building societies, without going through the process of tabling a statutory instrument, whether through the permissive approach or whatever it may be.

On that basis, although we should welcome the fact that the issue of mutuals is being kept on the agenda, it would be better done by an amendment that had some effect.

Mark Durkan: I had not originally intended to speak to this amendment, as time is tight and we need to make progress. I have also dealt with some of the points in interventions.

The Government say that they are committed. This Bill gives them an opportunity to go a bit further on that commitment. That is what the amendment offers them. The Government have said that they want to encourage mutualisation. I have heard Ministers talk about the damage done by the rampant trend towards demutualisation in the past—they have blamed that on others, as well as perhaps accepting some blame on behalf of a previous Government. However, clause 47 is a permissive clause, and there is good cause for saying that if the Treasury amends legislation dealing with mutuals—let us remember that we are talking about industrial and provident societies, building societies, credit unions and friendly societies—and if it transfers functions to the FCA, the PRA or both, given that the clause provides that functions can be transferred between different bodies, the Treasury should, in making those arrangements and exercising those powers, have regard to ensuring that someone can measure the size of the mutual sector overall and show progress where that is relevant. That is what the amendment would provide for. Such information will be relevant for Parliament's interests and purposes—I am sure that future Treasury Committees will want to know what is happening and who is responsible for measuring such things, rather than relying on the market players. The information will also be hugely important for consumers, because if, as the hon. Member for Stone (Mr Cash) said, we are to encourage more people to have confidence in this option, then the more people we can show are using it successfully, the better.

When the hon. Gentleman suggested that the mutual sector would, by its nature and character, not need detailed regulation and legislation, it occurred to me that he was going off in a different direction. Given the experience that some of us had with the Presbyterian Mutual Society and others, I can say that mutuals do need to be regulated by their nature, so that people can be sure that they are living up to the good name that they properly have. Consumers embrace mutuals on the basis of that confidence. They need to be able to rely on the fact that legislators have put in place a regulatory system to ensure that what they are getting is what they think they are getting.

Mr Cash: I would not want the hon. Gentleman to misunderstand what I meant. It is not that I do not think that there should be a degree of regulation. Rather, I am concerned about over-regulation to the point where the purposes of mutuals, as with so many other sectors of society, are sucked out by a vast amount of oppressive legislation, which is so bureaucratic and impossible for people to understand that they cannot see the wood for the trees. The whole objective of the mutual arrangement is that it is very much a personal relationship in a society to enable people to benefit one another.

Mark Durkan: I thank the hon. Gentleman for that clarification. That brings us to the point that we go through all this complicated legislation, with all this complicated jargon, to try to give consumers confidence that a regulatory regime is policing these matters for them, so that they know that the people they are entrusting with their money—their savings and so on—are performing to a due and proper standard. I would not want the House to create a situation where people felt that mutuals were, by their nature, less safe and less regulated, because non-mutuals would use that on a predatory basis in their marketing.

John Hemming: Let us come back again to the amendment. I noted, on the internet, a report from the Building Societies Association indicating that in 2011 the market share of the mutual building societies increased by 16%, which contrasts with growth of 3% and a figure of 7.7% in the whole market. So the coalition Government are obviously delivering on their promise to have a larger mutuals sector, and the information has already been measured.

Mark Durkan: The information may well be measured by that group of building societies. In terms of industrial and provident societies and others, surely it makes sense that the Treasury will want to make provision on who measures the different sectors or who measures them in aggregate terms as the mutual sector—this amendment would allow that. We must remember that, as the hon. Gentleman says, the amendment is entirely permissive, and it would be set in a clause that is permissive. The clause is meant to demonstrate the coalition's commitment to mutuals.

Jonathan Evans (Cardiff North) (Con): May I apologise for the fact that I missed the beginning of this debate? The hon. Member for Nottingham East (Chris Leslie) spoke for the Opposition, and he knows that I chaired the mutuals inquiry to which he refers. Is the problem not the one outlined by the hon. Member for Edmonton (Mr Love): the amendment is modest? I do not think our inquiry was seeking that modest a response from the Government. We are looking for something that matches up to the commitment made in the coalition agreement, and what is being proposed is very much short of that.

Mark Durkan: I thank the hon. Gentleman for that intervention, as it shows exactly why people should be worried. If the best argument that Government Members...
can make is that this amendment is modest and merely permissive, people should be worried that the Government are opposing and rejecting such a straightforward, common-sense amendment.

Geraint Davies: I shall be brief, Mr Deputy Speaker. The coalition Government say that they want to encourage diversity in the market and increase the proportion and number of mutuals, yet they refuse to agree with measuring the number of mutuals or their market share. Anybody who is serious about any policy should want to measure it in order to manage it and show that it has been successful; otherwise they come across as completely hollow. Given that we have the Office for Budget Responsibility and so on, on measuring important things such as outputs and economic performance, I cannot understand why we cannot include mutuals as part of that portfolio.

David Rutley: I understand the hon. Gentleman’s strength of opinion, but is he not aware that these data are readily available! We need only go to a market research firm or to researchers in the City to find that the data are readily available.

Geraint Davies: But as I have just said, if that is the case why do we need the OBR? We could go on the internet, like the hon. Member for Birmingham, Yardley (John Hemming) did, and then say, “I’ve got a figure from a reliable mate in the City.” This is completely absurd—

John Hemming rose—

Geraint Davies: Here comes another absurd intervention.

John Hemming: Just for clarification, I looked up the BSA figure for the market share of mutuals, and it indicated that the market share was increasing. The BSA is not a friend of mine in the City, and the information is already being measured and reported on.

Geraint Davies: My point is that second-hand information is available in all sorts of marketplaces, but the Government make a great virtue of the OBR, and of other reliable and robust statistical sources, in order to measure the effectiveness of the outcomes of their policies.

John Hemming rose—

Geraint Davies: I hope that this intervention is not just another repetition of the same thing.

John Hemming: It is difficult to see where the OBR comes into all this; it is not being handed the task of measuring things.

7.45 pm

Geraint Davies: This is about having the reliable and consistent measurement of data in order to measure the effectiveness of policies, rather than having to rely on looking at the website of whatever trade association we are talking about. That is the essence of this amendment and it is why I support it.

The hon. Member for Stone (Mr Cash) mentioned the Rochdale pioneers, and I am glad that he did so. At that time, the idea of co-operation, co-operatives and mutuals was forged very much in the fire of unbridled capitalism and an economic Darwinism that I know some hon. Members would like to see return in the so-called “spontaneous order” of things. In that unbridled free market, the weaker members of society were being crushed, and a collective, mutual ownership emerged, through mutual societies and co-operatives, that enabled normal people to share risks, benefits and ownership, and to reinvest surpluses in their mutual. That is why those organisations grew, and I am very proud consistently to a have supported them.

One of the questions that arises is: why has there been a slight falling away of mutuals over the past few decades? Partly it has been because the Conservatives pushed demutualisation to get quick profits for their friends, who are involved in the capitalist system to make quick profits. Then, in 2008, we have this tsunami and suddenly people wake up in the debris of this chaos realising that some of the surviving organisations are mutuals, and they rightly ask why that is. The answer, of course, is that the focus of mutuals—their raison d’être—is not about just reaching out to maximise profitability and taking irresponsible risks; it is about delivering services for their members, who have equal shares. As a result, the time of mutuals is back.

This is a time of enormous global financial turmoil. We all know about the risks from the sovereign debt of Greece, Spain and elsewhere, and the knock-on impacts of that. We also face a great deal of risk from German banks and other financial institutions that do not have the inherent solidity and risk management of the co-operative system. If the Government are serious about this, now is the time to move forward. The coalition Government have said that they will move forward, but they cannot even be bothered to measure the market share and the number of mutuals. So how seriously can we take them? The answer, self-evidently, is: not seriously at all. The top management consultancy McKinsey has the mantra, “If you can’t measure it, you can’t manage it.” That company knows that that is self-evidently the case, but we are saying here, “We don’t really want to manage it. We won’t measure it. It does not really matter.” That is what is coming across, and it is a great shame that it is.

Labour Members are saying, “Let’s paint a picture of how things are changing. Let’s try to use that to make progress and to actively encourage credit unions, housing co-operatives and so on.” Such organisations tend, by their very nature, to be locally owned, with local benefits for local people. That contrasts with the situation described by the hon. Member for Stone mentioned, whereby a member of the Royal Bank of Scotland may find that Santander has suddenly sent them part of their bill, and they wonder why that is and whether there is a risk from the Spanish contagion, linked into the Greek risk. Somebody was mentioning that sort of situation to me the other day, and of course it arises because of the global nature of these organisations.

People want the security and assurance of knowing that they can go to local co-operatives and be offered loans if they save, whereas they would be excluded from high street banks, which would say, “You’re too poor. We can’t give you an overdraft”, but if people were in a
Mr Hoban: We have had a wide-ranging debate on mutuality, and it has acted as a peg for discussion. As is clear from this evening’s contributions, we all recognise the strength of the mutual sector, its importance in providing choice and diversity, and the benefits it brings. A couple of times, however, Opposition Members seemed to elevate mutuals into semi-religious institutions. Let us be realistic about some of the issues that mutuals faced during the crisis. Some mutuals had to be bailed out by others, and the first use by the previous Government of the special resolution regime was on the Dunfermline building society. A number of mutuals strayed from their core business model, which had consequences.

One hon. Member—I think it was the hon. Member for Harrow West (Mr. Thomas), who is no longer in his place—referred to mutuals supporting their branch network. I recall that one of the first Adjournment debates I replied to as a Minister was as a consequence of Nationwide closing a number of branches in south-east London. All mutuals face commercial pressures, which needs to be acknowledged.

Geraint Davies: What the Minister says is true, but does he accept that there is a differential outcome and that, on balance, because of the lower-risk structure, the mutuals do better than conventional capitalist banks?

Mr Hoban: It depends on risk management and the business model that mutuals follow. There is a different set of constraints around building societies, which helps to ensure their stability, but that does not mean that they are immune from some of the mistakes that have caused failure in the past.

The clear intention of the Bill—we discussed this at length in Committee—is to ensure that regulation does not discriminate against mutuality, or indeed any other type of ownership, simply because it diverges from the norm of public or private ownership. I believe that the Bill delivers that result. For example, in clause 22, new section 138K requires the Prudential Regulatory Authority and Financial Conduct Authority to analyse the impact of the proposed rules on mutual societies. This will help to build up a base of impartial evidence to allow the regulators to continue to assess whether mutuals are being treated appropriately within the regulatory system. It is important that regulators think through very carefully the impact that their rules will have, particularly on mutuals.

Jonathan Evans: My hon. Friend will recall coming to our all-party group on insurance and financial services, when we asked him some questions on these issues. In fact, the regulator thinks that the Financial Services Authority has changed its processes in order to recognise the specific position of mutuals. What is it that the Government have changed, other than their even-handed approach?

Mr Hoban: The new duty in the Bill goes beyond what the FSA currently does. It imposes a requirement separately to identify the impact of regulation on mutuals. Let me continue my remarks and set out some of the other things we have done to promote mutuality. As I was saying, the regulatory principle of proportionality also bites in this regard. If the regulators are taking action that impacts on one type of firm more than another, it should be done on the basis that the action is necessary and proportionate.

Let me highlight a number of ways in which the Government are promoting mutuality outside of this Bill. In January this year, the relevant provisions of our Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011 came into effect, allowing credit unions to grow faster and compete better by offering interest on deposits and admitting corporate bodies like local charities and firms as members.

My colleagues in the Department for Work and Pensions recently commissioned and published a report on enhancing the sustainability of the credit union sector. It looked at some of the initiatives undertaken by the previous Government, how they have helped the credit union sector and how best to take that work forward. Important recommendations were made to the Government that will help to enhance the sustainability of credit unions and ensure that if there is further public sector investment in them it will be used to expand their base and ensure that they are sustainable.

The capital requirements directive, CRD4, includes a capital instrument that is available for use by mutuals and building societies. That was not on the agenda when we came into office two years ago. It is a consequence of the work that this Government have done with their European partners to ensure that that instrument can enable building societies to issue capital instruments so that they can expand and deal with some of the challenges they face. A number of Members of the European Parliament, as well as the Government, have been working to ensure that within CRD4 a particular capital instrument is available for the Co-op, which, because of the nature of its ownership, falls outside the instrument that is available to building societies.

The Prime Minister announced earlier this year that we intend to bring forward a Bill to consolidate most legislation governing co-operatives and mutuals. The industry greeted the announcement of this Bill warmly, and I believe it is important to bring forward this consolidation. Ed Mayo, the secretary-general of Co-operatives UK, stressed the importance of bringing together a series of nearly 20 Bills or Acts of Parliament, which will make it easier and cheaper to establish co-operatives and remove some of the ambiguity in the sector. Co-operatives UK is looking forward to working with the Government to bring forward this consolidation Bill.

Mr Love: The Minister has already admitted that credit union deregulation goes back many years. I was frustrated by the lack of progress under the previous Government; it has taken us a long time to get here. As for a consolidation Bill, I asked the Secretary of State for Business, Innovation and Skills why it was not included in the Queen’s Speech, given that it is a relatively modest and non-controversial measure—yet the Government could not give enough priority to it. Is there not some concern—
Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The hon. Gentleman spoke earlier and interventions are meant to be short, not to be another speech.

Mr Hoban: Consolidating something like 18 pieces of legislation is not a simple task. It needs to be done properly and well, and we would need to do it in conjunction with the co-operative movement, as well as with the Law Commission. Other pieces of legislation need to be implemented before the introduction of the consolidation Bill. It represents an important step forward, which is why it has been welcomed by people like Ed Mayo as a way of making it easier to set up mutuals in the future.

In the Government’s response to the recommendations of the Independent Commission on Banking, we committed to assess whether the Building Societies Act 1986 should be updated in line with the reforms to the wider banking sector. We want to work with building societies to identify the barriers to their growth. We will shortly publish a paper, alongside the White Paper on ICB implementation, as a consequence of that work, to identify where the Building Societies Act 1986 needs to be amended to enable building societies to take advantage of the opportunities that are out there.

I believe that this Government have demonstrated a clear commitment to promote mutuality and to diversify the mutual sector. Our commitment takes its shape in many forms—whether it be the new capital instrument, the protection given to members of Northern Ireland’s credit unions, legislation to help to take forward and grow credit unions, or the increased public investment in credit unions that should flow from changes to the model on which they operate. That demonstrates the practical concrete steps that the Government are taking to strengthen the mutual sector.

The information requested by the amendment is clearly widely available, if my hon. Friend the Member for Birmingham, Yardley (John Hemming) can Google it in a minute, and it will be maintained and kept. I do not think that this requirement to provide information, placing additional burdens on the regulator and the sector, is necessary. Actions speak louder than words and they speak louder than data. What this Government have clearly done is bring forward a series of measures to strengthen the mutual sector, which will be to the benefit of all our constituents.

8 pm

Chris Leslie: “Actions speak louder than words”: that is the conclusion that the Minister reached when rebutting this modest amendment. Some Opposition Members said that it was too modest, and not strong enough. You cannot win when you are in Opposition. Sometimes Opposition Members propose amendments and are told that they go much too far, but it seems that this amendment did not go far enough.

The aim of the amendment was simply to hold the Government to account in respect of their own promise in the coalition agreement to produce detailed proposals to promote mutuality. The Minister tried his very best. My hon. Friends could probably hear the sound of the barrel being scraped as he listed all the papers, reviews and consultations—half of which, by the way, had their genesis under the last Labour Government, or were thanks to the European Commission.

The Government’s commitment to mutuality is conspicuous by its absence. They have an embarrassing dearth of commitment to the mutual sector. The Minister must do far better than this. As my hon. Friends have said, it is no wonder that the Government do not want to measure the progress that is being made in any modest way. I think it is time that we held them to account.

Members in all parts of the Chamber care about the mutual sector. I greatly respect the work that is being done by the all-party group, and the commitment of others who believe that it is important for us to take the steps that are necessary to support the mutual and co-operative sector. All that we were trying to do was obtain from the Government some sense of how they were doing in relation to the coalition agreement, but the best that we have been able to secure is a scraped-together consolidation Bill that does some administrative tidying up. It is not good enough, and I therefore wish to press amendment 72 to a Division.

The House divided: Ayes 218, Noes 271.

Division No. 10] [8.1 pm

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Crunddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Curran, Margaret
Dakin, Nic
Danzuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
FITZPATRICK, Jim
Fiellio, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, rh Mr Robert
Goggins, rh Paul
Goodman, Helen
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hamilton, Mr David
Hamilton, Fabian
Hanson, Mr David
Harman, Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, Mr John
Heron, Lady
Heyes, David
Hilling, Julie
Hodge, Mr Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, Mr Sir Gerald
Keeley, Barbara
Kendall, Liz
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Liwyd, Mr Elfy
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhan
McDonnell, John
McFadden, Mr Pat
McGovern, Jim
McGuire, Mr Mrs Anne
Mckechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, Mr Mr Michael
Mearns, Ian
Michael, Mr Alun
Milliband, Mr David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme (Livingston)
Morris, Grahame M. (Eastington)
Mudie, Mr George

Munn, Meg
Murphy, Mr Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O’Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Raynsford, Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Robison, Mrs Linda
Roberts, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Dame Joan
Sarwar, Anas
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skrinner, Mr Dennis
Slaughter, Mr Andy
Smith, Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Straw, Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Timms, Stephen
Tickett, Jon
Turner, Karl
Twitch, Derek
Twitch, Stephen
Umuna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, Mrs Rosie
Wishtart, Pete
Wood, Mike
Wright, David
Wright, Mr Iain

Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Belth, Mr Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brown, Mr Jeremy
Bruce, Fiona
Bruce, Mr Malcolm
Buckland, Mr Robert
Burley, Mr Alan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Cable, Mr Vince
Cairns, Alun
Campbell, Mr Sir Menzies
Carmichael, Mr Sir Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clifton-Brown, Geoffrey
Coffey, Mr Thérèse
Collins, Damian
Colville, Oliver
Crabb, Stephen
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Djanogly, Mr Jonathan
Dorrell, Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Featherstone, Lynne
Field, Mark
Fox, Mr Dr Liam
Francois, Mr Mark
Freeman, George
Freer, Nick

Fullbrook, Lorraine
Gale, Sir Roger
Garner, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, Mr Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, Mr Michael
Graham, Richard
Grant, Mr Mrs Helen
Grayling, Mr Chris
Green, Damian
Grieve, Mr Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halcon, Robert
Hammond, Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Huhne, Mr Chris
Hunter, Mr Jeremy
Hunter, Mark
Huppatz, Dr Julian
Javid, Sejid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, Mr Mr Charles
Kirby, Simon
Knight, Mr Mr Greg
Kwarteng, Kwasi
Laing, Mr Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, Mr Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leslie, Charlotte
Lewin, Mr Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, Mr Mr James

Tellers for the Ayes:
Mark Hendrick and
Graham Jones

NOES

Amess, Mr David
Andrew, Stuart
Arbuthnot, Mr Mr James

Tellers for the Ayes:
Mark Hendrick and
Graham Jones

NOES

Amess, Mr David
Andrew, Stuart
Arbuthnot, Mr Mr James
Clause 58

DIRECTIONS UNDER SECTION 57: SUPPLEMENTARY PROVISIONS

Amendment proposed: 10, page 136, line 22, leave out from ‘Bank’ to ‘on’ in line 23 and insert ‘must give the Treasury one or more reports’.

Clause 97

ORDERS: PARLIAMENTARY CONTROL

Amendment proposed: 11, page 165, line 21, at end insert—

‘(i) an order under section 91 (power to make further provision about regulation of consumer credit)’.

Schedule 10

THE FINANCIAL SERVICES COMPENSATION SCHEME

Amendments proposed: 13, page 240, line 8, leave out ‘are, or are not, to’ and insert ‘may, or may not.’.

Amendment 14, page 240, line 10, leave out ‘are, or are not, to’ and insert ‘may, or may not.’.

Schedule 18

FURTHER MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments proposed: 15, page 288, line 18, at end insert—

(c) in paragraphs (c) and (d), for “notice of control” substitute “section 178 notice”.

(2A) In subsection (2)(b), for “notices of control” substitute “section 178 notices”.

Amendment 16, page 288, leave out lines 20 and 21 and insert—

‘(4A) “The appropriate regulator”—

(a) for the purposes of subsection (1)(a) and (b), is the regulator to which the application for permission under Part 4A is made;

(b) for the purposes of subsection (1)(c) and (d), is the appropriate regulator as defined in section 178(2A).

(4B) “Section 178 notice” means a notice given under section 178.”.

Amendment 17, page 288, line 24, leave out subparagraphs (2) to (5) and insert—

(2) In subsection (1)—

(a) for “the Authority”, in the first place, substitute “a regulator”,

(b) in paragraph (a), for “subsections (7) to (9) of section 52 do” substitute “section 55X does”, and

(c) in paragraph (b), for “Authority” substitute “regulator”.

(3) In subsection (2)—

(a) for “the Authority”, in the first place, substitute “a regulator”,

(b) in paragraph (a), for “section 52(1) and (2)” substitute “subsections (1) to (3) of section 55Y”, and

(c) in paragraph (b), for “Authority” substitute “regulator”.

(4) In subsection (3)—

(a) for “the Authority”, in the first place, substitute “a regulator”, and

(b) in paragraph (b), for “Authority” substitute “regulator”.

Question accordingly negatived.

More than three hours having elapsed since the commencement of proceedings on consideration, the debate was interrupted (Programme Order, 23 April).

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).
Schedule 21

TRANSFER SCHEMES

Amendments proposed: 18, page 315, line 22, after 'this' insert 'Part of this'.
Amendment 19, page 316, line 11, leave out 'the scheme' and insert 'a scheme under this paragraph'.
Amendment 20, page 316, line 18, after first 'this' insert 'Part of this'.
Amendment 21, page 317, line 2, at end insert—

PART 2

PROPERTY, RIGHTS AND LIABILITIES OF OFFICE OF FAIR TRADING

Interpretation

6 In this Part of this Schedule “the OFT” means the Office of Fair Trading.

Transfer schemes

7 (1) This paragraph applies if after the passing of this Act the Treasury make an order under section 22 of FSMA 2000 which has the effect that an activity—
   (a) ceases to be an activity in respect of which a licence under section 21 of Consumer Credit Act 1974 is required or would be required but for the exemption conferred by subsection (2), (3) or (4) of that section or paragraph 15(3) of Schedule 3 to FSMA 2000, and
   (b) becomes a regulated activity for the purposes of FSMA 2000.

   (2) The OFT must make one or more schemes under this paragraph for the transfer of property, rights and liabilities of the OFT to the FCA.

   (3) A scheme under this paragraph made by the OFT is not to be capable of coming into force unless it is approved by the Treasury and the Secretary of State.

   (4) The OFT may not submit a scheme under this paragraph to the Treasury or the Secretary of State for their approval without the consent of the FCA.

   (5) Sub-paragraph (6) applies if—
   (a) the OFT fails, before such time as may be notified to it by the Treasury as the latest time for submission of a scheme under this paragraph in connection with an order falling within sub-paragraph (1), to submit such a scheme to the Treasury and the Secretary of State for their approval, or
   (b) the Treasury or the Secretary of State decide not to approve a scheme that has been submitted to them by the OFT (either with or without modifications).

   (6) Where this sub-paragraph applies, the Treasury may, with the approval of the Secretary of State, make a scheme under this paragraph for the transfer to the FCA of such of the OFT’s property, rights and liabilities as appear to the Treasury appropriate to be transferred to the FCA in consequence of the order falling within sub-paragraph (1).

   (7) The property, rights and liabilities which are the subject of a scheme under this paragraph are transferred in accordance with the provisions of the scheme on such day as the scheme may specify.

   (8) The OFT must provide the Treasury or the Secretary of State with all such information and other assistance as either of them may reasonably require for the purposes of, or otherwise in connection with, the exercise of any power conferred on the Treasury or the Secretary of State by this paragraph.

   (9) In the following provisions of this Part of this Schedule a scheme under this paragraph is referred to as a “transfer scheme”.

8 The property, rights and liabilities that may be the subject of a transfer scheme include—
   (a) any that would not otherwise be capable of being transferred or assigned, and
   (b) rights and liabilities under a contract of employment.

9 A transfer scheme may—
   (a) apportion, or provide for the apportionment of, property, rights and liabilities,
   (b) define the property, rights and liabilities to be transferred by specifying them or by describing them (including describing them by reference to functions that are transferred by the order falling within paragraph 7(1));
   (c) contain provision for the payment of compensation by the FCA to the OFT;
   (d) contain provision for the payment of compensation by the OFT or the FCA to any person whose interests are adversely affected by the scheme;
   (e) contain supplemental, incidental, transitional and consequential provision.

10 A transfer scheme which relates to rights and liabilities under a contract of employment must provide for the transfer to which the scheme relates to be treated as if it were a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Question put (single Question on amendments moved by a Minister of the Crown.), That amendments 10, 11 and 13 to 21 be made—(Mr Hoban.)
Question accordingly agreed to.
Amendments 10, 11 and 13 to 21 agreed to.

Third Reading

8.15 pm

Mr Hoban: I beg to move, That the Bill be now read the Third time.

It is worth stepping back at this point to look at why this is such a crucial Bill and why we must get it right. The UK banking system is emerging from the most serious financial crisis in over 100 years. It was a global crisis, but in the UK it highlighted fundamental dangerous flaws in the existing tripartite system of regulation.

The Bill addresses the most serious weaknesses in the system. Currently, all responsibility for financial regulation rests with the Financial Services Authority, resulting in an unwieldy remit across prudential and conduct-of-business regulation. The conflicts and challenges involved in that dual mandate were highlighted in the recent FSA report on the failure of RBS. The Bank of England is responsible for financial stability, but it did not have the tools with which to effect change, and the Treasury has no clear remit in a crisis, in spite of the immense threat to public funds in such scenarios. The confusion and lack of clarity in respect of roles and responsibilities triggered the asking of this question: who is in charge? The system’s clarity in respect of roles and responsibilities triggered the failure of RBS. The Bank of England is responsible for financial regulation. The conflicts and challenges involved in that tripartite system. Currently, all responsibility for financial regulation rests with the Financial Services Authority, resulting in an unwieldy remit across prudential and conduct-of-business regulation.

The Bill gives a clearer mandate to the regulatory structure and ensures that the regulators are equipped with the powers they need to tackle the problems both of today and, crucially, of the future. The Bill gives the Bank, through the new Financial Policy Committee, a much clearer mandate to protect financial stability and
the ability to develop and use levers to fulfil that role. In Committee, we discussed at length the remit of the FPC and the tools that would be required, and I reconfirm what I said then: we will consult on the macro-prudential tools later this year, to ensure that there is full public discussion of them and their effects both in the outside world and here in Parliament.

In response to questions about who should be the prudential regulator, and recognising the close synergy between macro-prudential regulation—the task of the new FPC—and micro-prudential regulation, we have established a new subsidiary of the Bank of England: the Prudential Regulatory Authority. The PRA will have a new emphasis on a judgment-led approach to regulation. We will ask it to act proactively and to look ahead at problems that may emerge. The PRA will be empowered to act to tackle problems before they emerge, rather than waiting to clean up afterwards.

**Andrea Leadsom** (South Northamptonshire) (Con):
Does my hon. Friend agree that it is important that the PRA and the FPC consider the need for greater bank competition in the UK? Does he also agree that it is important that when the Bill moves into the other place consideration is given to any changes that might encourage greater competition through the new PRA?

**Mr Hoban:** The FPC’s remit does not cover the consideration of competition in the system. Its role is to consider stability and the threats to it. On the question of the Prudential Regulatory Authority, one of the challenges we need to accept is that, for a host of reasons, the failure of a bank is costly and expensive. We saw that in the UK with the response to the banking problems during the crisis, when a huge amount of public money was pumped into banks to prevent some of the problems that bank failure would create. Part of the responsibility for tackling the problem lies with the previous Government, who introduced living wills through recovery and resolution plans in the Banking Act 2009, work which is now being taken forward.

Of course, the Vickers report includes in its recommendations ways in which it will be easier to allow the orderly failure of a bank. Helping a bank to have an orderly failure where there is a problem will help to tackle the problem with barriers to entry. At the moment, the cost of failure is so high that the barriers to entry are proportionately higher. The regulators want to know that a bank is safe and to have huge confidence in that bank and they will require it to have high levels of capital because the cost of failure is so high. If we can tackle the barriers to exit from the banking sector, it will be easier to tackle the barriers to entry. That will help enormously in improving competition.

We have also given the Financial Conduct Authority an explicit objective of improving competition in markets. We have strengthened that objective, taking into account the work of the Treasury Committee and the representations of others, and I believe, as I think my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) does, that competition plays an important role in improving outcomes for consumers. That is why we see competition as one of the key new roles for the FCA, which will be a specialist regulator of conduct and will have strategic objectives not just to promote competition but to focus on consumer protection and to ensure that markets function well and have integrity.

We have also listened to the widespread concerns about the regulation of consumer credit. The Bill gives us powers to transfer the responsibility for regulating consumer credit from the Office of Fair Trading to the FCA. That will bring significant benefits and will ensure that consumer credit is well regulated. The FCA has a wider range of penalties than the OFT and can take a wider range of enforcement action, which will help to reassure our constituents that we are tackling the issue of consumer credit properly and sensibly.

**Mr Love:** The Minister will recognise the continuing concerns about the powers given to the Governor of the Bank of England and, indeed, to the Bank. What changes is he likely to make to address the governance arrangements to ensure that those powers are used wisely?

**Mr Hoban:** The hon. Gentleman makes an important point. I emphasise that it is the Bank of England that is getting more powers, as I do not think we should be personalising matters in the context of who within the Bank will get more power. It is the institution that will get more power. We have taken steps in the Bill to increase the accountability and transparency of the Bank. It is very important, for example, that the FPC, in explaining its actions, uses the financial stability report to communicate the risks it identifies and what its responses should be. I expect that the FPC will be held to account by business, the banking sector and this House. That is important but, as I said on our first day on Report, the Treasury Committee has raised a number of issues—I pay tribute to the work of the Committee and its Chair in highlighting them—and we will return to them in the other place.

It is important to get the arrangements for the governance of the Bank right. I believe that accountability and transparency should be at the heart of the regulatory system, which applies not just to the regulators but to some of the tools that we have given to them, which I think will help. For example, at the moment no one knows when a financial promotion has been withdrawn at the direction of the regulator, but that information will now be made public, which will help consumers to know which financial services firms push the boundaries with promotions. That is why we want to see the publication of warning letters. I know that that is controversial, but it is right that consumers should know when enforcement action is being proceeded with and that that information should be in the public domain. The powers we are giving to the FCA to ban toxic products are also an important strengthening of that regime. In a range of areas, we are changing not only the structure of the regulatory organisation of this country but the approach. Transparency and accountability are part of that, as are the increase in competition and the new powers that we are giving to the FCA.

The process of scrutiny has been constructive, I think, and I pay tribute to the Treasury Committee for its work. We also had pre-legislative scrutiny of the Bill by a Joint Committee of both Houses chaired by my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley). As we have developed the Bill, the way in which we have listened to the arguments being made inside and outside Parliament has demonstrated that
we listen carefully to what is said and will amend the legislation as appropriate. We passed a number of Government amendments on Report that reflected comments that were made—even those made by the hon. Member for Nottingham East (Chris Leslie). That just shows that we are prepared to listen. The fact that there has been such widespread support for the Bill in the Commons demonstrates that our aim to ensure that there is widespread consensus behind our reforms to the structure and approach of regulation was achieved through the consultation process we adopted. That consensus is important. It demonstrates confidence in our proposed changes and shows that this Bill should receive its Third Reading.

I hope that the Opposition are not going to oppose Third Reading. If they do, it will demonstrate that they have not learned the lesson of the past...[Interruption.]
The deputy Opposition Chief Whip says, “You never know,” from a sedentary position, but if the Opposition vote against this Bill on Third Reading people will wonder whether they are so wedded to the constructs of the past that they cannot move on. People will think that they are so wedded to the system put in place by the shadow Chancellor that they cannot move on and that they cannot recognise the flaws in both its structure and approach. If they choose to vote in such a way, the world will know that they have not moved on and that they have not learned those lessons.

The Government have looked at the financial crisis and the reforms that must be made. The structure we are proposing today will help to deliver better outcomes for consumers and to strengthen and improve the resilience of the financial system in the future. I commend the Bill to the House.

8.28 pm

Chris Leslie (Nottingham East) (Lab/Co-op): Let me start by thanking those of my colleagues who served on the Committee that considered the Bill, as well as the trade bodies, consumer groups and others who made representations about it. In particular, I thank members of the Treasury Committee for the time and effort they gave to trying to improve the legislation. I thank also the members of the pre-legislative scrutiny Committee, who did a phenomenal amount of work in the months ahead of the legislative process, albeit to make a series of recommendations that the Government then promptly ignored. However, we will come to that when the Bill goes to the other place. I pay tribute to my hon. Friend the Member for Foyle (Mark Durkan). His contributions were from a different political party but he made a very constructive contribution to the Committee. I also thank the officials and others who work hard behind the scenes on legislation such as this.

It is a shame that we have had such woefully insufficient time to debate this massive piece of legislation, which consists of more than 300 pages and hundreds of clauses. We tabled more than 200 amendments but the best we could get from the Government, even though they have nothing else going on in the Chamber—they are paddling out the legislative process—is one and a half days, with three hours for the second day on Report. We ran out of time to debate some of the key, critical issues concerning how the Governor of the Bank of England and the Chancellor of the Exchequer would manage in a crisis, and we did not even get an opportunity to debate those crisis-management arrangements. However, I am glad that we extracted one major achievement from the Government and No. 10: when it comes to public funds, when there is a direction to the Bank of England from the Treasury, the Government will now require the Bank to report back on its progress on that direction. That is a positive change, which we did not get a chance to debate in discussions on the previous section of the Bill. I am grateful for the change.

When it comes to some of the other problems to do with crisis management, the Government are relying on a non-statutory memorandum of understanding between the Bank of England and the Treasury, which leaves gaping holes in knowing how things would work in a crisis. They say that there will be a temporary standing committee or an ad hoc committee but there is no sense of who will be on it or how it will be constructed. No advance thought is going into that and I worry that if we get into a crisis we might waste hours or even days figuring out how on earth to convene this ad hoc committee.

Similarly, there are serious difficulties to do with whether the heads of the new regulators and bodies that the Bill creates will have a direct line of communication with the Treasury or whether everything will have to be filtered through the Governor of the Bank of England, in whom enormous new powers will be vested under this legislation. There is an irony in that yesterday or the day before the Bank conceded—this was dragged out of it—that it ought perhaps to have minor reviews and partial inquiries into what went on in parts of the financial crisis. We still have not had a fundamental review by the Bank of England about its role in the crisis, and that is a great shame. It should be big enough and have the humility to undertake the review that the Treasury and even the FSA have undertaken. It is time that the Bank also opened up and looked inwardly and seriously at its own capabilities.

There are positive aspects to this legislation. We agree with the concept of prudential regulation and we wait to see the detail. The Minister said that he is going to consult on some of the macro-prudential tools. It is very important that we get right the concept of the greater systemic overview of the system—the eagle-eye view that needs to be taken rather than getting too bogged down in the detail of firm by firm, company by company regulation—but the theory needs to be translated properly into practice. That is where the devil is in the detail. In a number of respects, the Bill falls short and could have done with massive improvement. The Opposition tried their best to make recommendations, including many of those made by the pre-legislative scrutiny Committee and the Treasury Committee. I sometimes see the Minister as—I will not call him an irresistible force—an immovable object resisting time and again attempts to improve the Bill.

We need more transparency and accountability for the regulators that the Minister is creating. The degree to which the new Financial Conduct Authority will publish its minutes is still unclear—we need a firmer commitment from the Government on that—and as I have said, the crisis management memorandum of understanding is still insufficient. There is a serious risk that costs that firms pay in their levies to the new regulators will be duplicated and that there will be inefficiency in the expense of splitting the regulator and
having two new regulators. We know that the PRA is already in aggregarding mode, securing beautiful new offices in Moorgate right next door to Threadneedle street because, apparently, Canary Wharf is far too far away. It is about 12 or 13 minutes on the tube, but apparently that is a major problem. So millions more pounds are to be spent on those offices in Moorgate, and the Government have resisted attempts to bring about greater efficiencies by means of the Bill.

The key aspect that is missing is proper attention to the necessary parliamentary scrutiny of those macro-prudential tools. Many of our constituents would baulk at that phrase and ask what on earth it means. It is about the regulator and the Bank of England deciding, for example, that the minimum repayments on their credit card may need to change at a moment’s notice. The Governor of the Bank of England will have the power to say, “I’m sorry, we’ve got a particular issue coming on, so instead of paying back 2% a month, you’ve got to pay back 10% a month on your credit card.” The Governor of the Bank of England will have the power to intervene on business lending, on the terms and duration of loans, and possibly even on the cost of those loans, and will be able to do that at a moment’s notice.

We have a bit of a debate about whether loan-to-value ratios and loan-to-income ratios on mortgages will also be in the hands of the Governor. Interestingly, one of the deputy governors has said, “This is a bit too hot to handle. Maybe this is for the Treasury, which is accountable to do that.” The point is that there are phenomenal powers invested in the Bank of England, and we need that thread of accountability to come back to Parliament at some point. This is why we have suggested that there should be a super-affirmative process, rather than a rubber-stamping statutory instrument Committee which many Members have attended and where they know orders go through on the nod with a formal vote.

I detect some cynicism on the part of the Government Whips, but of course they want to nod these things through. We should give Parliament a proper opportunity to consider the impact of those phenomenal powers on our constituents and on the economy. I hope that in the other place the Government will think again about the need to improve the parliamentary scrutiny of the new powers.

When it comes to consumers, the Bill has not properly addressed what we wanted to see, particularly the powers of the Financial Conduct Authority. There has been no movement on compulsory financial education. The Money Advice Service, which is the body tasked with trying to improve the financial literacy of the population, will not be adequately focused in statute on the most deprived in society and those who are most financially excluded. We saw the Government rebut attempts today to give the FCA a proper mandate on the regulation of high cost credit. The Government refused to give the FCA a proper role to take account of social investment, charity finance and other needs. We know they have a chip on their shoulder about charities and philanthropy generally, but it is a shame that they did not recognise those needs in the Bill.

There are a number of consumer aspects, whether debt management plans, helping customers plan ahead for their mortgage finances, or giving firms a fiduciary duty to have regard to the best interests of consumers, on which the Bill should have been improved. We have spoken separately about how the corporate culture in the financial services sector could have been improved. Today we tried to press the Government on improving the stewardship, the corporate governance arrangements and the actions of remuneration committees in reining in some of the excessive bonuses and pay packets.

It is with particular reference to the impact on the economy that I close my remarks on Third Reading. A powerful new committee is created in the Bill—the Financial Policy Committee, which will make the decisions about macro-prudential tools. It will be under no proactive obligation to have regard to growth and employment in this country. We may well see a mismatch between the obligations under which the Monetary Policy Committee remains: it must have regard to the growth and employment objectives of the Government, but the FPC does not mirror that obligation on the MPC. It is told, “Don’t do anything to harm growth”, but it is not given an obligation to have regard to the Government’s proactive—we hope—strategy on growth. Maybe that is because they do not quite understand what the growth agenda ought to be, or they do not know how to get there. They cannot see why that is important. In addition to that general obligation, it is also important that there should be an assessment of the impact of each of the macro-prudential tools on the economy—on growth and employment—but the Government have neglected to do that. Also, there was not a sufficient duty placed on the Bank of England to take care of public funds. Those are some of our concerns.

The Bill does not properly fit with the European level of supervision for financial services. There is the sense that it was dreamt up on the back of a cigarette packet by the Chancellor in opposition, when he wondered how the previous administration, the FSA, could be blamed for all the ills of the global financial crisis. But he forgot to recognise that most of the financial regulations in this country come from Brussels, the EU and Commissioner Barnier, on that conveyor belt as it throws out all the directives and regulations. The regulators that we are creating in this legislation are merely there to transpose a lot of the decisions taken in Brussels. That is essentially their function. The Bill does not properly recognise how our regulators should fit with the European decisions and those realities. We should be framing legislation not just to influence those European decisions, but to steer those decisions. The Government still have not addressed that point properly.

David Mowat: The hon. Gentleman makes the point that the twin peaks structure that we are implementing here does not fit with the European sectoral structure. Is it the Opposition’s position that we should have had a sectoral rather than a twin peaks Bill?

Chris Leslie: I am pointing out that there is a fundamental mismatch. We know that the supervisory authorities have gone for a thematic approach and the Government have gone for a twin peaks approach. Then there is this bizarre committee or secretariat in between to try and be an interlocutor. It is a tremendous spaghetti, diluting our influence on those supervisory decisions. We can already see that the Government have had to cave in on a number of ways in which the European Banking Authority
can overrule many of the capital requirement arrangements. Perhaps that is the result of a deeper weakness in the Government’s diplomatic stance.

I am not saying that the Bill cannot be salvaged. There are ways in which it falls short, but there is still time for the Government to listen. The Bill is deficient, but it can be improved, and I hope that the noble lords in the other place will take the opportunity to do so. We agree with the concept of prudential regulation. There is virtue in some of the theory in the legislation. But it is because of the way in which the Government are yet again incompetently putting that theory into practice that we have our doubts. We will not oppose Third Reading, but I hope that the other place, perhaps with the more time that they have under the rules, will do a serious job and pick up on some of the issues that the Government, by timetabling the Bill in such a draconian way, failed to give the House of Commons the proper opportunity to do.

8.43 pm

Mr Andrew Tyrie (Chichester) (Con): I much agree with the sentiment of the remarks of the hon. Member for Nottingham East (Chris Leslie) a moment ago, and I will elucidate a little on some of the points that I think their lordships might want to look at. The Bill is the most important overhaul of financial regulation ever undertaken in this country, and it has implications for the health of the whole economy and affects everybody—every citizen, every business up and down the land. Along with the forthcoming banking reform Bill, it will change the landscape of our financial services industry, in which we lead the world in many areas and on which so many jobs in the UK depend.

The legislation certainly leaves this place in better shape than it might have done, which I think has something to do with the number of amendments that have been tabled and arguments that have been listened to by Ministers. Sometimes those arguments have come from those on the Opposition Front Bench, sometimes from the Public Bill Committee, sometimes from the Joint Committee, and sometimes from the Treasury Committee, which I chair. On that, I would like particularly to thank my colleagues with whom I work on the Committee who have been so helpful and generated so many ideas, helping put together the succession of reports that we have put out. They have, to some degree, influenced the shape of this Bill.

8.45 pm

None the less, it is the Treasury Committee’s considered conclusion that the Bill is still defective in a number of respects. On the first day on Report, the Committee proposed a new clause to make the court more transparent and to require it to act more like a proper board. The Bank must have a board that is capable of assessing the institution’s performance, but it is explicitly prohibited from doing so at present. In view of the Minister’s favourable response to that new clause in the debate a few weeks ago, I look forward to seeing movement on the issue in another place. A number of other defects remain in the Bill, a few of which I will list in a moment.

It is important to put on the record one or two other points. Right from the beginning, the Government made decisions about the reform and the timing of the Bill that, in my view, have made the legislative process more complex and difficult than it could have been. For a start, we should have had a new Bill, something on which the Governor of the Bank of England and the Treasury Select Committee wholly agree. The complexity of the Bill could turn out to make it a lawyers’ charter—I only hope not.

Then there is the rush to get all this done quickly. After all, the horse has bolted. We have just had a most serious financial crisis; a crisis of the sort that we might have hoped the legislative framework would have protected us from. We now seem to be legislating for what can only be described as an arbitrary timetable in order to get the Bill through by the end of the year. Neither I nor the Committee have heard a good reason why we cannot take a few more months to get the legislation right. That meant that the Bill was produced without taking into account a number of views, including that of the Treasury Select Committee, on the shape of the Financial Conduct Authority. Some of the Bill’s current weaknesses owe something to the fact that not enough attention was paid to those views. We must therefore depend on the other place to get the legislation right.

I will briefly summarise a number of areas to which the Treasury Select Committee has drawn attention and which I hope the other place will look at. First, I have already mentioned the new clause that my colleagues and I proposed for improving accountability, and I am glad that there has been Government movement on that.

As I said on Report, all proposals to improve accountability, both of the Bank to its board and to Parliament, should be judged against two criteria. First, does the proposal hold out a prospect of improving the performance of the institution, meaning the quality of public policy decisions that the Bank will take, and secondly, does the proposal help secure public consent for the decisions? That is particularly important in a powerful body that is remote from the citizenry, such as the Bank of England. On both criteria, and particularly the second, the appointment and dismissal of the Governor would benefit from a parliamentary veto. The Treasury Committee’s second point is that the independence, legitimacy and, in a sense, the democracy of the decisions will be enhanced if there is a parliamentary veto, through the Committee, over the appointment and dismissal of the Governor.

Thirdly, the Financial Policy Committee and the court should publish full minutes. The Government’s proposed compromise, that a so-called record be published, simply will not do and will not be enough to satisfy the Treasury Committee. We will inevitably end up demanding the full minutes and, one way or another, will persist until we get them.

Fourthly, the Chancellor needs a general power to direct the Bank of England in a crisis when public funds are at stake, not the rather strictly circumscribed powers the Bill currently contains. The Government picked up part of the proposal that the Committee made in our report on the need for some kind of limited power of direction for the Chancellor over the Bank in a crisis in order to deal with the problem to which the previous Chancellor has alluded, not least in his rather graphic memoirs of that period. The measure that the Government are proposing to put on the statute book might deal
with the current crisis, which we have had over the past few years, but it might not put at the Chancellor's disposal the right tools in some future crisis.

Fifthly, there needs to be enhanced scrutiny of the secondary legislation that will accompany the Bank of England’s macro-prudential tools. The hon. Member for Nottingham East referred to exactly that when he talked about the need for a super-affirmative procedure, and the Treasury Committee agrees: we must have something that provides for full debate and time to consider the proposals, except in case of emergencies.

Sixthly, the MPC and the FPC should both have a majority of external members. We on the Treasury Committee think that, in the longer term, this is essential in order to guard against group-think on those committees.

Seventhly, the Lords needs to look again at the Financial Conduct Authority’s objectives. The FCA would work better if it focused on a single set of objectives. Midway through the process, the Government added to the proposals what they describe as overarching strategic objectives, but the Treasury Committee concluded that they add nothing to the operational objectives in the Bill and might, indeed, take something away by creating confusion.

Eighthly—but by no means last, and certainly not least, although I probably will end on this point—the Financial Conduct Authority’s accountability mechanisms need strengthening. The FCA should publish its minutes, its chief executive should be subject to pre-appointment scrutiny and it should review its own performance without the need for the Treasury Committee to force it to do so. The Committee managed to get the Financial Services Authority to review the collapse of RBS, but it was hard work persuading it to do so.

The Financial Conduct Authority has been the poor relation throughout this process of parliamentary scrutiny, and regrettably the legislation carries over into the new body many flaws—the box-ticking culture, the burdensome problems of rules, its cost and some of the regulation’s apparent pointlessness—in existing FSA practice, so I very much hope that their Lordships get their teeth into that problem.

Overall, therefore, this legislation is a big step forward from the legislative framework that was in place at the time of the crash, but much more could be done to improve it further. It really could be so much better, and there is still time to do something about it. Let us hope that, when it comes back from the other place, that work has been done.

8.53 pm

**Mark Durkan:** It is a privilege to follow the hon. Member for Chichester (Mr Tyrie), the Chair of the Treasury Committee. Like him, I recognise that the Bill represents an improvement but that it is capable of being improved further in a number of respects. He has touched on some issues, such as the balance of membership on the MPC and the FPC, which we addressed in Committee, and the future accountability of the new regulatory players.

There are deficiencies, and the hon. Gentleman at the very end of his remarks touched on what for some Members in Committee was a difficulty: when we put forward many amendments, we were told by the Minister that they were not necessary or were redundant, because the FSA was already doing what they proposed. For quite a lot of the time in Committee, we appeared to be told that the new regulatory regime was essentially going to be “Continuity FSA”, and that we could take it for granted that every good and acceptable thing that the FSA was doing would carry on regardless. It was very much “Carry on FSA” throughout large parts of the debate in Committee.

Like other hon. Members, I recognise the deficiencies in the Bill. As I stressed in Committee, it has significant holes in its provisions for compelling consumer interests, which the hon. Member for Nottingham East (Chris Leslie) touched on. The Government rejected key amendments to the provisions on consumer credit, and the related but very distinct issue of debt management, that would have given the Bill more meaning and relevance to people and offered them a bit more of a promise. Instead, the Government are merely saying, “We will attend to these things in future, and there is enough future-proofing in the Bill to allow us to amend it for all sorts of reasons and purposes.” They rejected, as they have again today, amendments that would have coloured in how those amending powers could be used—in particular, they rejected the amendments that would have indicated where the regulators were meant to reflect on certain matters and to advise on where regulation may need to change.

The hon. Members for Nottingham East and for Chichester emphasised the importance of parliamentary oversight and reporting. The need for crisis provisions may not be far away in the current circumstances, and we require clarity about that. After the next crisis, when there is confusion about who is responsible and which bit of furniture is meant to support which particular aspect, people will not accept that hon. Members did not know about these issues, because we are the authors of this legislation. As the hon. Member for Chichester said, it is a pity that the Bill, instead of having its own full sweep of provisions, tends to rely on going in and out of various bits and pieces of all sorts of other legislation, which are bumping into each other and not connecting very well. It is a bit like that Johnny Cash song, “One Piece at a Time”.

**Jim Shannon** (Strangford) (DUP): Sing it!

**Mark Durkan:** No, I will absolutely resist the idea of singing it. The only people who ask me to sing are bouncers, because it helps them to clear the premises.

Another deficiency relates to stewardship and the fiduciary duties of institutional investors and fund managers. Again, the Government assiduously resisted straightforward amendments in that respect. I cannot understand why they would refuse to have in a Bill principles that they say are reflected in common law. If this about consolidating legislation and making sure that there are no ambiguities in future, it would have made sense to include such provisions.

There is another serious gap in relation to consolidated oversight, and I hope that the Lords will pick up on that. The Bill provides for consolidated oversight in relation to regulated authorities where the parent holding company is itself a financial institution and a regulated authority, but not when it is not. That gives rise to the whole question of the “Tescofication” of banking services. While the Bill provides that there can be changes in future, it does not specify where they might happen.
The Government resisted amendments that would have coloured in the responsibility for considering where changes might be needed and, in particular, ensured that the new regulators did that.

On a more regional level, there is particular interest in Northern Ireland about the progress of the Bill and its associated measures because of the change to the regulation of credit unions. I hope that the Minister is aware that there is still deep disappointment among those in the credit union movement in Northern Ireland about the impact of the new regulations, which will take them back from where they should be and diminish their existing capacity to make sound investment choices. They look forward to being able to offer more services. Although that will be possible under regulation by the FSA and, in future, the PFA, they are disappointed that the price for that, from the first day of the new regulatory system, is that they will be restricted in making the sensible, prudential investment decisions for their members that they have been making very successfully.

8.59 pm

David Mowat: The Whips have asked me to be brief, and I will.

The Chairman of the Treasury Committee, my hon. Friend the Member for Chichester (Mr Tyrie), listed eight issues. I am pleased to say that he did not get to the one that I wish to raise, which is the area in which the Bill could be improved. That is international regulation.

The Bill is very strong on the national position. There are bail-ins, capital buffers and ring fences—the whole macro-prudential suite. In fact, there is a whiff of over-regulation in the ring fence. There is not such a whiff, however, in how we are going to deal with the international issues that confront us. If there is another crisis, it will not occur in a national bank, and I say that to whoever is in charge when the next crisis arrives.

I was on the Joint Committee on the draft Bill and listened to the risk managers from Barclays Capital, Goldman Sachs and J. P. Morgan, and it struck me that their outlook was entirely global. They have global IT systems and global profit and loss accounts, and they manage risk and divvy up bonuses globally. To the extent that the national position matters to them at all, it is because they have to produce accounts, often three, four, five or six months later, so that they can pay taxes and satisfy statutory requirements.

We must consider the issue of risk arbitrage, but what we need to do is not just about that. The regulatory structure must follow the structure of entities such as those that I mentioned. The Bill is national in its outlook, which was why I probed the hon. Member for Nottingham East (Chris Leslie) on his point about Europe. Perhaps it has to have such an outlook, but that leaves us a big issue to consider.

It is instructive to consider the two big things that have gone wrong in the past year, while the Bill has been going through the House. They have been at MF Global and, more recently, J. P. Morgan. I do not believe that much of what is in the Bill would have had any effect on either situation. MF Global had a £40 billion balance sheet, and it would not have been regulated by the FPC. The case of J. P. Morgan is even more interesting. It lost £2 billion—in fact, yesterday it was suggested that it may have been £4 billion. Even if there were another nought on the end of that, I am not sure the situation would have been picked up under the Bill, but it would have started to get serious. That loss occurred in London, but only because that happened to be where J. P. Morgan put its risk management function. It could have been anywhere.

When we design a regulatory structure, it has to mirror the organisation of the bodies that it is regulating, or it is just irrelevant. I am concerned that too much of what is in the Bill is irrelevant to where the risks will emerge in the next decade or two. I want to give three examples of potential problems. The first is one of co-ordination. We have heard the point about twin-peaks regulation versus sector-based structures. The situation is not brilliant, but there is a committee to fix it and we will do our best.

The second potential problem is ambiguity. We talk about judgment-based regulation in the UK, whereas the Europeans talk about rule-based regulation. Those two methods will be regulating the same entities, and possibly the same departments of those entities. How will that be sorted out? Where ambiguity exists risk exists, because things always go wrong on the boundaries.

The third potential problem is one of international risk management. In my judgment, there is nothing more important than how the college of regulators works.

9.3 pm

Four hours having elapsed since the commencement of proceedings on consideration, the debate was interrupted (Programme Order, 23 April).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.
Civil Aviation Bill

Third Reading

9.3 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): I beg to move, That the Bill be now read the Third time.

Throughout the consideration of the Bill, the debate has been informed and constructive. I thank all Members who have taken part, including Opposition Front Benchers such as the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), the shadow aviation Minister. We have also been assisted by the excellent report prepared by the Select Committee on Transport. I reiterate the thanks that I have given to the Committee and its Chair for their work on pre-legislative scrutiny.

The Bill has enjoyed considerable cross-party support at every stage in its passage through the House, and its key elements have been broadly welcomed by airports, airlines and a number of other stakeholders. That reflects the efforts made not just by this Government but by our predecessors in office to listen to the industry’s concerns and respond effectively to them to put together a balanced reform package.

In the year of the London Olympics and the diamond jubilee, we are reminded once again of the crucial role that the aviation industry plays in bringing millions of tourists to this country. That is just one element of the wider contribution to the UK economy. The Bill will modernise the framework for the economic regulation of airports, greatly improve transparency and accountability and put the passenger interest right at the heart of the new regulatory system. There is widespread agreement that the current one-size-fits-all regulatory regime is inflexible and outdated. The system proposed in the Bill will deliver more effective protection for passengers and a lower regulatory cost for industry.

At the heart of our proposals is a new primary duty to further the interests of passengers and freight owners. The Bill will also enable the Civil Aviation Authority to tailor measures to each individual airport, allowing it more flexibility to target intervention in the most proportionate way.

With a strong emphasis on the price control process, the current rules leave the CAA with very limited options if problems occur between five-yearly reviews. The new licence system in the Bill will allow for real-time regulation, empowering the CAA to act swiftly if an airport is failing its customers on, for example, service quality, winter resilience, volcanic ash or any challenges that it is not yet possible to foresee.

Clause 1(3) and (4) require the CAA to carry out its economic regulation functions in a transparent, accountable, proportionate and consistent way. To respond to points made in earlier debates, we are strengthening the scrutiny to which the CAA is subject by giving a new accounting direction to the regulator, requiring it to include an efficiency statement in its annual report, which will be subject to validation by its external auditors.

The primary duty to passengers, which is so pivotal to the Bill, will provide greater certainty and clarity for airport operators, which in turn will encourage long-term investment in the improved facilities that passengers want. A shift to more independent economic regulation also removes risks associated with political interference, which is why it is a common feature of modern regulatory regimes.

The Bill will also make the CAA’s decisions more accountable than they have ever been by introducing a new appeals process. The Government worked hard with both airlines and airports to come up with an appeals system that gives effective redress to airlines without turning the new regulatory regime into a two-tier system, which would have dragged the Competition Commission or the Competition Appeal Tribunal into everyday CAA decision making. The result of that work is that the Bill provides appeal rights to both airlines and airport operators that are significantly more effective than existing remedies. However, not just businesses benefit from greater transparency and clarity. The Government believe that providing the right information for consumers can sometimes achieve better results than traditional regulatory intervention, so the Bill will give the CAA new functions on collecting and publishing information on issues such as service quality to help consumers to make informed decisions on competing operators in the aviation sector.

The Bill contains important security provisions—keeping people safe and secure when they travel is paramount. The Secretary of State is responsible for aviation security policy and for giving security directions. That will not change under the new approach we are advocating, but the Government believe that giving the experts in aviation operations a greater say in how security is delivered will improve our ability to guard against the very real threats we face.

The CAA has valuable experience not just of regulation generally, but of safety management systems that ensure that risks are controlled as effectively and efficiently as possible. We believe that that track record on safety will assist the CAA in overseeing the delivery of the new security management systems, which are an important element of the move to an outcome-focused, risk-based approach to security, which has been debated extensively during the Bill’s passage through Parliament.

I am also convinced that vesting those regulatory functions for security in the CAA will benefit the aviation industry, because it will henceforth be able to deal with a single regulatory body rather than the current two bodies. Moreover, we expect that the complementary measure—the introduction of an outcomes-focused, risk-based approach to security—will enable security checks to be integrated more closely into the general business of the airport. That should open the way to more cost-effective and more passenger-friendly ways of delivering security outcomes.

Plans for the proposed move of responsibilities in relation to security regulation to the CAA are already being developed. The Department for Transport is in discussions with the Department’s staff who are likely to be affected and with their trade union representatives, because we are keen that as many employees as possible stay in post when their jobs transfer to the CAA, taking their skills and valuable experience with them.

Julie Hilling (Bolton West) (Lab): The Minister said that the Department has had conversations with the staff and their representatives. Can she give us any more information about that, because—as she will be well
aware—one of the concerns we raised during the passage of the Bill was about the loss of expertise if staff did not follow their jobs to the CAA?

**Mrs Villiers:** We are in discussions with both the CAA about the practicalities of the move and with those Department of Transport staff whose posts we expect to move. At the moment, we are not able to give them all the answers on all the issues, partly because the Bill has not passed as yet, but also because issues such as pensions are under review both in the civil service and in the context of the CAA. But we are very conscious of the need to try to provide as much visibility and information as possible, and we are working to do that, although it will take time to work through certain issues.

On environmental matters, the Opposition tabled an amendment on Report—it was extensively debated—that would have imposed a supplementary environmental duty in relation to the CAA’s airport economic regulation functions. I understand the motivation for such an amendment, as I said on Report and in Committee, but I believe that its aim is already provided for in the Bill, which already allows the CAA to approve reasonable investment in measures that mitigate environmental impact. No doubt the discussion on whether further clarification on that point is needed on the face of the Bill will continue in the other place in the same constructive and thoughtful way that it has in this House.

I must emphasise, however, that the Bill already includes important new information provisions to help us address the environmental impact of aviation. The Bill gives the CAA powers to collect and publish information about the environmental effects of civil aviation. Not only could that be used to give more information to communities affected by aircraft noise—hon. Members know how significant an issue that is for many people—but it will ensure that passengers have better information about the environmental impact of their travel choices than is currently available. We believe that improving transparency will help us to harness consumer power in pushing for progress towards cleaner and quieter planes.

Some have called for more on the environment to be included in the Bill, but to be effective, environmental measures need to be applied proportionately across the whole sector and not just focused on those airports that happen to be subject to economic regulation. So separately from our efforts contained in the Bill to reform economic regulation, a number of initiatives are under way to deliver cross-sectoral action on the environmental impact of aviation. Adding aviation to the European emissions trading system is expected to deliver carbon savings across Europe of some 480 million tonnes in the period to 2020. Both NATS and the CAA have a strong focus on reducing fuel burn and addressing noise in their work on improving airspace management, and the Government will soon publish a consultation on a sustainable framework for aviation. We are clear that aviation should be able to grow, but it must also play its part in delivering our environmental goals and protecting the quality of life of local communities affected by aircraft noise and other local impacts.

**Julie Hilling:** The Minister said that the consultation document will be published “soon”. During the passage of the Bill, we have talked about future legislation that would enable environmental concerns to be addressed, so can she tell me what “soon” means in this context?

**Mrs Villiers:** We will publish the consultation in the summer alongside a call for evidence on maintaining the UK’s hub capacity.

Last, but definitely not least, the Bill will grant the Government the power to extend ATOL protection to flight-inclusive holidays sold by airlines and those sold on an agent for the consumer basis. Extending the ATOL scheme has received strong support in the House and has the long-term support of the Transport Committee. If the Bill is adopted, we would expect to consult next year on whether the new powers should be exercised.

In conclusion, by establishing a single, clear, primary duty to passengers as the overriding principle of economic regulation, the Bill will incentivise investment in our airports by providing greater clarity and certainty for airport operators and investors; put passengers’ interests at the forefront of the regulatory regime; give the CAA far more effective powers to intervene swiftly if an airport fails its customers; and open the way for a further extension of the ATOL scheme, which for nearly 40 years has provided financial protection and peace of mind for millions of holidaymakers. I urge the House to support the Bill.

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): I begin by thanking all my colleagues who sat on the Bill Committee for their support, assistance and advice, as well as those who helped on Report, outside stakeholders who sent submissions and/or gave evidence and the Transport Committee for its scrutiny of the Bill.

We welcome and support the Bill. On Second Reading, my hon. Friend the Member for Garston and Halewood (Maria Eagle) said that we would support the Bill. That was no surprise. Much of it was drafted when we were in government, so there was a legacy. However, the timing of its arrival was a bit of a surprise, so the Transport Committee scrutiny was a little dislocated. Indeed, the Government’s response to the Select Committee was published only last Friday. It is good that it is out, but it demonstrates that there were surprises in the timing.

Not only was the arrival and timing a surprise but the inclusion of the security clauses, which were not in the original Bill, was not expected. Also, importantly from our point of view, the environmental protection measures, which were in the original draft Bill and mentioned in the Department for Transport press releases announcing the publication of the Bill, surprisingly did not appear in the Bill. That was a disappointment to the Opposition, and I shall return to it.

I do not want to appear too critical, however, although it might come across that way in due course, because, as I said, we support the Bill. In Committee, the Minister was as courteous as usual, although she and the Government did not accept a single amendment—she did so quite politely—even when she was injured and might have been a bit more vulnerable. The fact that Ministers did not accept any amendments was a matter of considerable disappointment to us, particularly given that we had the support of many stakeholders and recommendations from the Transport Committee.

The Minister has well covered two of the obviously key elements of the Bill—putting the passenger at the core of the CAA and updating the industry’s economic regulation. However, a number of other issues were
raised in Committee, highlighting the strengths and weaknesses of the Bill, and I wish briefly to refer to some of them. We had a good discussion on security and the outcomes-focused, risk-based system. We support those arrangements, but, as my hon. Friend the Member for Bolton West (Julie Hilling) said, we were concerned about the arrangements for staff transfers and the certainty that members of staff might be worried and often not accept or apply for transfers. The potential haemorrhaging of staff in such a sensitive area was of concern to the whole Committee, so it was good to hear the Minister provide additional reassurances before and after my hon. Friend’s intervention.

The Minister mentioned the ATOL reforms, which we all support, despite the delays. We will do what we can to help the Secretary of State and the Minister of State introduce and enact the reforms, because that is what we all want. Recent pronouncements have perhaps pointed towards more complications arising, which is obviously frustrating not only to the Department and the Government, but to all concerned.

Let me turn to the opportunities that were missed. On the environment, we proposed a duty, as the Minister mentioned. We also suggested including environmental aspects in the licensing conditions for Heathrow, which we think would be reflected right across the industry. On the passenger experience, we proposed that the responsibility for producing welfare plans should be a matter for the licensing arrangements for Heathrow, given the experiences in recent years of passengers being stranded, with all the difficulties that we have seen, heard about and, in some instances, experienced. It is interesting that the indicative licence produced for the Civil Aviation Authority suggested that the licence that it will produce for Heathrow ought to contain passenger welfare elements. We think that the Government could have given a firmer steer by referring to that in the Bill, which would have helped. We also made various suggestions about the efficiency and scrutiny of the Civil Aviation Authority, although I will return to those presently.

There are two additional areas that the other place will want to take account of: one was mentioned in Committee, whereas the other was not. The first is the honesty and accuracy of ticket prices, particularly from the bucket airlines, and the hidden surcharges. The CAA could clearly play a role in addressing that, and I am sure that the issue will be raised in the other place. The other issue, raised most recently, is the suggestion that certain passengers should be able to fast-track themselves through security and immigration for a price, which has caused quite a bit of consternation among passengers generally. Given that the suggestion has been made since Report, I suspect that the other place will want to see how things could be obviated to ensure fairness for everybody going through our airports.

Let me look briefly at the three areas I have mentioned. On the environment, we had a bit of banter with the Government about their mantra, which we hear all too frequently, of wanting to be the greenest Government ever. We obviously had quite a bit of disagreement about whether the Bill reinforces that claim. Indeed, the Minister for shipping, who is in his place, and I had a discussion this afternoon about this being the greenest Government ever in terms of environmental protection. However, I do not think that Mr Deputy Speaker—[Interruption]—if he was paying attention—will let me go there. [HON. MEMBERS: “Ooh!”] My apologies. Mr Deputy Speaker: I wanted to ensure that you did not allow me to stray, because, seeing the hon. Gentleman in his place, I could easily have gone down that cul-de-sac.

On reporting and giving information to passengers, clauses 83 and 84, which we covered extensively, are welcome. However, we thought that there ought to be a duty on the Civil Aviation Authority, as there is on every other economic regulator, to take account of the environment. Reading between the lines, I am not sure whether the Minister’s comment that she expects the matter to be raised in the other place was perhaps an indication of more openness from the Government or that they might be prepared to look at this again.

One element of licensing to do with the environment that was raised by a number of my hon. Friends concerns protection for neighbourhoods, planning permissions and the rest of it. We think that including that in the licence would give communities greater strength and the certainty that airports and the aviation industry would take account of the sensitivities mentioned by the Minister of State.

The last thing we suggested—which the Government did not think it was appropriate to pick up—was the requirement for ticketing to show the environmental impacts of different modes of travel, thereby helping passengers to make decisions based in part, perhaps, on the difference between the environmental impact of going by air and the impact of travelling by rail or coach. I will be surprised if that suggestion is not examined further in the other place.

On the passenger experience, the reporting, information gathering and publishing will, again, be welcomed. However, as I have said, we think that the welfare plans should have been included in the licence, and that represents a missed opportunity by the Government.

Mrs Villiers: I feel that I ought to reiterate the reassurance I gave in Committee and on Report. We, too, are very supportive of a focus on passenger welfare plans. We just do not believe that the content of the licence should be hard-coded in legislation. We believe that the best approach is to give the independent, expert regulator the responsibility to decide what licence conditions are appropriate.

Jim Fitzpatrick: I fully accept that; we have a disagreement over whether this ought to be in the licence. We think that putting this in the Bill would strengthen the requirement and give a much clearer indication to the regulator that the Government expected it to look at this as a key area, particularly given the experience in recent years. We are talking about a difference in emphasis, rather than a difference in principle, because we all want passengers to be better protected against the vagaries of the weather or other factors detrimentally affecting them.

Labour Members raised the whole question of the information on queuing times, and not just in baggage-handling areas. The key area where we disagreed was on whether immigration queues could or should be counted and measured, with information given to the public.
Obviously, the Government’s position is that immigration and the immigration service, the UK Border Agency and the UK Border Force are the responsibility of the Home Office, and therefore it is not appropriate to deal with them in this Bill. However, given the further recent confusion over what the queuing time actually is, particularly at Heathrow, and given the disagreements on measuring between the airports and the immigration service, we think that the CAA could have played a very constructive role in that area, authoritatively collating the evidence and publishing it. As with a number of the other amendments that we failed with, I am sure that the Lords will wish to return to that.

On CAA efficiency and National Audit Office scrutiny, we again agree to differ, but at least the Minister did come up with a proposal to strengthen the scrutiny, which, in some way, addressed the concerns we were raising. Obviously, we will monitor how the proposal works in effect. We hope that it will give greater reassurance to the airlines and other customers that the CAA will operate as we would all wish.

In conclusion, this was a good Bill in draft and, in essence, it remains a good Bill, but there is still much room for it to be even better. We hope that the other place will be able to make the improvements that we were, sadly, unable to make.

9.27 pm

Henry Smith (Crawley) (Con): It was a pleasure to speak on Second Reading and an honour to serve on the Public Bill Committee earlier this year. As I said on those occasions, and it is worth repeating now, the airport and airline industry has changed significantly in the more than a quarter of a century since this area of legislation was significantly addressed. Since the British Airports Authority—latterly known as BAA—was privatised in 1986, London’s largest airports, Heathrow, Gatwick and Stansted, have been subject to the same economic regulatory regime designed to ensure that they did not abuse their monopoly position. The prices that Gatwick airport, which you will know is in my constituency, Mr Deputy Speaker, charges airport passengers are currently capped by the CAA, which sets them in accordance with Competition Commission recommendations. The revenues from those prices often appear listed on passenger tickets simply as “airport charges”, but of course they are used to pay for things such as runways, airfield facilities, terminal security, baggage systems and future development. Price caps are normally reviewed every five years. The Bill rightly reforms this process.

Gatwick airport supports the Bill’s key principles, which herald a more flexible regulatory system that better reflects the way in which today’s aviation sector operates. Nevertheless, Ministers should recognise the relationship between the economic regulation of London’s airports and the Government’s priority of attracting new direct routes to emerging economies, which will help to grow the UK economy. My right hon. Friend the Prime Minister recently acknowledged that, under new ownership, Gatwick is emerging as a business airport, competing with Heathrow. Indeed, the airport’s operators have established new routes to countries such as China, Vietnam, South Korea and Hong Kong. Such progress shows that Gatwick can compete to provide direct links to those emerging economies, fulfilling the ambition it has of being a gateway to Asia.

Graham Stringer (Blackley and Broughton) (Lab): My point probably applies more to Heathrow than it does to Gatwick, which is obviously the hon. Gentleman’s main interest, but does he agree that the decision of COMAC—the Commercial Aircraft Corporation of China—to locate in Paris rather than in London, mainly for airport capacity reasons, shows that the Government’s aviation policy has failed because it is essentially an anti-aviation and anti-business policy?

Henry Smith: I would not accept that the Government’s aviation policy is either anti-aviation or anti-growth, as shown by the fact that we are now on Third Reading of a Bill that will produce greater flexibility in this sector—vital for a trading nation such as ourselves. I believe the Government should be congratulated by hon. Members on both sides of the House on that achievement.

Returning to my principal interest of Gatwick airport—I am the local Member of Parliament—I believe that it can grow by a further 11 million through-passengers than the current market share shows. The airport’s overall market share is only about a quarter of the total. Gatwick is not a monopoly, so it does not need to be economically regulated. The market should be allowed to work. Deregulation would allow Gatwick the flexibility to invest with pace in new infrastructure to accommodate developments such as the new A380 aircraft and undertake much-needed investment in areas such as the border zone. Through deregulation, Gatwick can emerge fully in line with the views expressed by my right hon. Friend the Prime Minister as an airport that can fairly compete with Heathrow and others. As an economically regulated airport, Gatwick cannot invest flexibly or price services according to what individual customers want or what the market will support.

The Bill outlines a series of tests that must be met for an airport to be regulated. These aim to determine whether an airport has substantial market power and, if so, whether there is a risk of abuse of that position, which existing competition law is insufficient to control. An airport that meets the market power test requires from the CAA a licence to operate, which may include a price cap on what can be charged to carry passengers.

With Gatwick being sold by BAA two and a half years ago and now separately owned and operated, I very much agree with the Transport Select Committee’s findings:

“Given the greater degree of competition that now exists between airports in the south east of England… the CAA should undertake its economic regulatory duties with a relatively light touch.”

Several members of the Public Bill Committee expressed a similar view. On Report, my hon. Friend the Member for Rochester and Strood (Mark Reckless) said, correctly in my opinion:

“If Gatwick feels that it should invest significant sums of money in better terminal facilities in order to service the A380s and… allow the sorts of routes to high-growth markets in Asia that we so strongly support, I see no strong reason why it should be prevented from doing so and charging what the market will bear. I believe that that could be to the benefit of the consumer.”


Similarly, in Committee my hon. Friend the Member for Amber Valley (Nigel Mills), whom I am pleased to see in the Chamber, noted that the CAA started

“from a position that… airports are regulated, and appears to want to keep them that way…. we should regulate airports only
Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am pleased to be able to speak in the debate because this is an important Bill that reflects the significance of aviation to our economy. I am glad that there is so much agreement on the essentials, and I am pleased that the Select Committee on Transport was able to consider aspects of the Bill not once but twice, given some rather curious timing which my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) described as “dislocated”. I have not heard that word used before in connection with consideration of a Bill, but perhaps it is indeed relevant.

We conducted pre-legislative scrutiny, but the parliamentary debate on the Bill began within about two days of the publication of our report. We then considered separately the proposals for reform of ATOL holiday insurance, when we had fuller information about the Government’s plans. In both our inquiries we generally supported the Bill, but we sought a number of changes and made a number of criticisms, some—but not all—of which have been taken up. I want now to refer to some of the concerns that we raised, which have been reflected in other parts of the debate on the Bill.

The Bill’s focus on passenger experience and welfare is greatly welcomed, but it is important for that work to be conducted efficiently and effectively, particularly when it comes to the production of information about different experiences in different airports. When we were considering the Bill, concerns were expressed by a number of airports—especially regional airports—which were suffering as a consequence of the current economic hardships, and were worried about the increased cost that could result from the new regulation for which the Bill provides. It is important for the light-touch regulation to be effective, producing correct and appropriate information that can benefit passengers by enabling them to decide how they wish to travel.

How to deal with adverse weather conditions has exercised the House for a long time. Although the Bill does address the issue, we were disappointed to note that its proposals were not strong enough to ensure that all airports would draw up proper plans to deal with bad weather. We were told that the CAA would deal with the matter, but, although we are glad that it has been highlighted to a greater extent, we still feel that sufficient emphasis has not been placed on it in all instances.

Our greatest concern, which has been vindicated by events since the publication of our report, was the need for much more effective co-ordination and working together by the Department for Transport and the Home Office. Our report addressed immigration queues— and, indeed, if we are interested in questions of passenger experience, we should note that among travellers’ greatest concerns are baggage handling and queues at immigration. However, such queues are controlled by the Home Office through the UK Border Agency. We expressed concerns about a lack of co-operation, and subsequent events have reinforced that point. It is unclear how much co-ordination there is between the Department for Transport and the Home Office on how to deal with queues such as those at immigration and passport control. I hope that will be addressed once the Bill is enacted.

Security is a linked area of concern. There has been a change in aviation security policy—a move to an outcome-focused, risk-based approach—and a split in responsibility for security between the Department for Transport and the Civil Aviation Authority acting on behalf of the airports. There is concern about how that division of responsibilities will operate while ensuring we maintain the highest standards of security in the most cost-effective manner. More thought needs to be given to how that is to be achieved. We also raised concerns about staffing and the initial proposals to move staffing from the Department to the CAA. We wondered whether expertise would be lost. The Department has addressed that in its response to our report, but concerns remain.

Holiday insurance and ATOL reform are long-standing issues. The Committee has looked at that for many years, both in the previous Parliament and this one. The ATOL scheme was introduced in the 1970s. At that time it fitted the way most people went on holiday, which was on conventional package holidays. The situation has changed dramatically, however. Before the changes that came into force a few weeks ago, only about 50% of people going on holiday were covered by ATOL, and there was a £42 million deficit in the scheme. We support the Government’s proposed changes, such as the extension of what constitutes a package holiday—or, rather, a qualifying holiday—the introduction of flight-plus and requiring tour companies and transport operators to provide a certificate where ATOL is in force, giving clearer information to the traveller about what is covered by the insurance.

I understand that about 60% of travellers will be covered under the new scheme, but I urge the Minister to use the powers under the Bill to extend ATOL further to incorporate holidays sold by airlines. Other tourist companies and operators feel a deep sense of grievance that while they have to pay the levies associated
with ATOL, when airlines sell holidays they do not have to do so and do not face the same costs. I hope that will be dealt with, along with companies designated as agents for the consumer also being able to avoid some of the liabilities that other holiday companies have to take up. Although we welcome these changes, a much broader look at how the scheme operates is needed.

We also think there is a need for more information on what the consumers—the travellers—actually want. There is little information about the views of travellers. They might, for instance, want more information on other forms of available insurance. Although I repeat that we certainly welcome the Government’s measures, they need to go further.

More work can be done on all those points of concern, although I reiterate that there is general support for the Bill. I view the items of concern I have mentioned as works in progress and I hope that the Minister can assure us that she sees them in that light too. I hope that she can give us an absolute commitment that there will be closer working between the Department and the Home Office on the queues at our airports so that that problem, at least, can be dealt with satisfactorily as soon as possible.

9.45 pm  

Dr Julian Huppert (Cambridge) (LD): I welcome the Bill. For too long, regulation across Government has been too centralised in Whitehall and has not focused on its core consideration, which is the needs of the public. The general duty to passengers in the Bill is an excellent step forward.

For far too many decades, we have seen top-down central control of transport policy. Even if all we had was a general duty for passengers the Bill would be good, but it has more to it, as has been outlined by the Minister, such as the ATOL reforms. Under clauses 83 and 84, extra information must be provided for passengers so that they know what is going on, whether it is about transport options for getting to the airport or the environmental impact. It lets passengers know and lets them decide what they want. I particularly welcome the environmental information required under clause 84.

It is clear that we must tackle the growing environmental impact of aviation. Even if we simply stick with the framework set by the Committee on Climate Change back in 2009, by 2050 aviation is due to make up at least 25% of our allowed carbon emissions. Its relevance to the future of our planet is hard to quantify but also difficult exchange. He rightly said that our first amendment on the environment did not have the quite the right focus or the right wording, was not strong enough and did not mention the Climate Change Committee. We took his advice, changed all those points and tabled an amendment on Report that covered all those elements, but he still could not vote for it. Will he give us some indication whether he will be more successful with the Minister this time than we were last time?

Dr Huppert: I thank the shadow Minister for his praise and I am glad that he listened to my comments about the first version of the amendment. I was about to say that I welcomed its intentions and was very pleased that it was improved. I think that it is almost at a stage where it could be accepted. Unfortunately, it was not quite there.

I was wondering whether to use some of the criticisms that I had stored up, and I shall use one. One thing that concerns me about the shadow Minister’s position is his party’s overall position on the environment. The new shadow Environment Minister whose post was announced in the recent reshuffle—the hon. Member for Glasgow South (Mr Harris)—said on Second Reading that he hoped his party would support the third runway at Heathrow and argued that concern for the environment was really a form of class warfare, saying that we were coming up with environmental concerns because people with less money were able to fly. I am sure that that is not what the shadow Transport Minister, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), means and I hope that he will be successful in persuading his colleagues to take a more sensible approach.

Mr Peter Bone (Wellingborough) (Con): I refer the House to my entry in the Register of Members’ Financial Interests. Is the hon. Gentleman arguing for an additional runway at Heathrow? The impact of flying to Heathrow and flying around until the plane can land—stacking—must be environmentally wrong. He is right to argue for an additional runway.

Dr Huppert: I do not think anyone here believes I am arguing for a third runway at Heathrow. If the hon. Gentleman has misunderstood that, I am sorry. This highlights the problem that there are people on the Back Benches on the Government side who are in favour of a third runway at Heathrow. I wish Ministers good luck in persuading them. Unfortunately, it seems that Back Benchers and Front Benchers on the Opposition side hold such views, although I realise that is not the shadow Minister’s official position.

I hope we will be able to get the outcome that we all want, party political bickering aside, and that the Minister and the Secretary of State will be able to deliver that in the other place. One concern that has been raised is that the current proposals will tackle only regulated airports.

Jim Fitzpatrick: I was about to be nice about the shadow Minister, but I shall let him speak first.

Jim Fitzpatrick: In that case, my timing is appalling. It might have been the first time that the hon. Gentleman had been nice to me—[Hon. Member: “Aah!”] I am not getting this right at all tonight, Mr Speaker. I apologise for that.

In Committee, the hon. Gentleman and I had a very difficult exchange. He rightly said that our first amendment on the environment did not have the quite the right focus or the right wording, was not strong enough and did not mention the Climate Change Committee. We took his advice, changed all those points and tabled an amendment on Report that covered all those elements, but he still could not vote for it. Will he give us some indication whether he will be more successful with the Minister this time than we were last time?

Dr Huppert: I was wondering whether to use some of the criticisms that I had stored up, and I shall use one. One thing that concerns me about the shadow Minister’s position is his party’s overall position on the environment. The new shadow Environment Minister whose post was announced in the recent reshuffle—the hon. Member for Glasgow South (Mr Harris)—said on Second Reading that he hoped his party would support the third runway at Heathrow and argued that concern for the environment was really a form of class warfare, saying that we were coming up with environmental concerns because people with less money were able to fly. I am sure that that is not what the shadow Transport Minister, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), means and I hope that he will be successful in persuading his colleagues to take a more sensible approach.

Mr Peter Bone (Wellingborough) (Con): I refer the House to my entry in the Register of Members’ Financial Interests. Is the hon. Gentleman arguing for an additional runway at Heathrow? The impact of flying to Heathrow and flying around until the plane can land—stacking—must be environmentally wrong. He is right to argue for an additional runway.

Dr Huppert: I do not think anyone here believes I am arguing for a third runway at Heathrow. If the hon. Gentleman has misunderstood that, I am sorry. This highlights the problem that there are people on the Back Benches on the Government side who are in favour of a third runway at Heathrow. I wish Ministers good luck in persuading them. Unfortunately, it seems that Back Benchers and Front Benchers on the Opposition side hold such views, although I realise that is not the shadow Minister’s official position.

I hope we will be able to get the outcome that we all want, party political bickering aside, and that the Minister and the Secretary of State will be able to deliver that in the other place. One concern that has been raised is that the current proposals will tackle only regulated airports.
I would like them to go wider than that. For example, the Aviation Environment Federation suggested amending section 4 of the Civil Aviation Act 1982. That would be a more general approach and would not hit just particular areas, so that is one possibility. This is a good Bill. It could be tweaked to be even better, but it should be greatly welcomed on both sides of the House. It will give us a sustainable future for civil aviation in this country, with open data, proper regulation, support for sustainable transport and proper passenger-led reforms. I am delighted to support it.

9.50 pm

Gavin Shuker (Luton South) (Lab/Co-op): I am extremely grateful for this opportunity to speak. It is particularly expedient that I should do so after the hon. Member for Cambridge (Dr Huppert), for reasons that I shall come to. First, let me address one of the issues at the heart of the Bill: passenger experience. We welcome the Bill, which we sought to amend and improve in Committee. I was proud to serve on the Committee with colleagues from the Opposition Benches, some of whom are present. When things go wrong for someone at an airport their first instinct is to blame the airline, but it is rarely the airline that is at fault. We have seen such experiences at several airports and some bubbling discontentment, particularly more recently as a result of immigration and other issues such as poor weather. That is why we sought to put welfare plans for passengers into the Bill and why we sought to help disabled passengers more explicitly by putting such measures in the licence conditions. The two Front-Bench teams have explained their differences on where the emphasis should be.

For me, the key issue is about holding airport operators to account. I served on the Select Committee on Transport, and I remember seeing the chief executive of BAA come before the Committee shortly after the December 2010 snow disruption and confess that, of the 80 different measures of Heathrow’s success that were taken in December 2010, only three or four had been breached and marked as red, whereas every other box had been ticked green. In a sense, that underlines why we need to be really explicit about what we want to measure. I am sure that the CAA will be good at that, although the Opposition would have preferred the Government to have a more active role at the legislation stage.

The second issue I want to address is environmental responsibilities. In Committee, we felt it would be extremely helpful and effective if the CAA had a clear duty on the environment, and at one stage it appeared that the Department for Transport believed that too. Certainly, as the Bill came through, we saw from its drafting that that would not be included. I am talking about giving environmental information to passengers so that they can make smarter choices and about making sure that the CAA, as an economic regulator, can do its job, balancing the needs of the economy alongside the needs of the environment.

I wanted to speak to this Bill not just because I represent an airport constituency—Luton airport, which many people will know and love—but because I am deeply concerned about growth. We know that there is limited growth in the economy, to put it mildly, and that we need a long-term strategy for growth. As the Minister has pointed out, if aviation is one of the routes for that growth, it is important to have continuity and consistency in the Government’s approach. That is why I am so concerned about the remarks that we heard in Committee, which the hon. Member for Cambridge spoke about.

A Liberal Democrat member of the Committee whom I shall not name—okay, I will, it was the hon. Member for Cambridge—said in Committee:

“I would very much like to see an environmental duty in the Bill. That is an important issue, and I raised it on Second Reading.”

He went on:

“I am confident that she”—the Minister of State—“will…find a way to deliver an environmental duty in this Bill…It is not a trivial issue.”—[Official Report, Civil Aviation Public Bill Committee, 28 February 2012; c. 116-17.]

We await to see whether the Minister is willing to give to her coalition colleague that assurance. We certainly felt that the point might have been more easily pressed home had the hon. Gentleman voted for it in the first place. I say that not to embarrass any particular Member on the Government side—honestly—but because I think the issue goes to the heart of aviation strategy more broadly under this Government. As with many issues under the coalition Government, we have one party on the accelerator and one party on the brake. Sometimes those flip around, but on aviation strategy the nature of the coalition becomes even more disparate. We have two people on the accelerator and one on the brake, or one on the accelerator and two on the brake at different times. There is no clarity for the industry about where this Government want to take aviation. That should be a big concern for us.

We know the issues in aviation; the big one that needs to be tackled is the requirement for greater capacity in the south-east. With reference to Luton airport, we know that the Minister is deeply interested in point to point and she is right. We should make more effective use of the capacity that we have. I hope the ministerial team will bring forward commitments on that in the coming months. We can go from 8 million passengers to a greater number without doing significant ground works or extending the runway.

We need resolution on whether there will be a genuine hub airport—one that does not fall over when it snows, when it rains, when there are small amounts of disruption. While that issue remains unresolved, perhaps because of the nature of coalition government, perhaps because of geographic requirements on Ministers or individual MPs, simply saying no is not a policy.

Graham Stringer: I wish Luton airport well; I have used it on a number of occasions. However, the recent report from BAA shows that if we do not have a third runway at Heathrow, which is the only solution to providing a hub airport, we will lose £100 billion in the economy. That is a non-trivial amount. Not having a third runway, as the hon. Member for Wellingborough (Mr Bone) said, is actually bad for the environment.

Gavin Shuker: I thank my hon. Friend. I want to make it clear that I think the right approach is to reach a cross-party consensus on the future for a hub airport. In that context, the moves by the shadow Secretary of
State and the shadow Minister of State to write to Ministers at the Department for Transport saying, “We will take the option of a third runway off the table,” acknowledging that it has been taken off the table by Ministers, is the right way to go. However, the issue does not go away. In the course of developing policy in both major parties, we cannot continue to dodge the bullet. We need a hub airport that is fit for purpose. That is why I believe it is so important, given the passage of the Bill through the House tonight, that we find a way to tackle the big issues in aviation.

Mr Greg Knight (East Yorkshire) (Con): Does the hon. Gentleman agree that more people who wish to travel to and from London could and should use Luton airport?

Gavin Shuker: Sometimes one is bowled a googly in the House. I am not sure whether I have been with that question. I agree absolutely with the right hon. Gentleman. More people could use the four or five other airports around London instead of Heathrow and use existing capacity well.

I believe that the Minister’s heart is in the right place on the issue. We should speak positively and give a clear direction for industry, because without that the Department will not make its vital contribution, which we need for growth.

9.58 pm

Jim Shannon (Strangford) (DUP): I congratulate the Minister and the Government on bringing the Bill to the House on Third Reading, and theOpposition on the hard work that they did in laying the foundations for legislative change when they were in power. It should be recognised that the Opposition have done a lot of work on the matter.

The thrust of the Bill is to reform the economic regulation of airports, with particular focus on those airports with market dominance. We are talking about Heathrow, Gatwick and Stansted. As a Northern Ireland MP travelling every week, I have become very familiar with Heathrow and Gatwick. Since the British Airports Authority was privatised in 1986, London’s largest airports, Heathrow, Gatwick and Stansted, have been subject to the same economic regulatory regime, which was designed to ensure that these major airports did not abuse their monopoly position.

The prices that Gatwick charges airport passengers are currently capped by the Civil Aviation Authority, which sets them in accordance with a Competition Commission recommendation. The revenues from these prices often appear on passengers’ tickets as airport charges. They are used to pay for runways, airfield facilities, terminals, security, baggage systems and future development. Price caps are usually reviewed every five years, but the Bill reforms that process.

As a Northern Ireland MP, I would ask for some clarification on a number of issues. The Bill has some consequences for all Northern Ireland airports, which I will briefly touch on. The Government are rightly always looking to consult the public, but sometimes the cost is astronomical. Airports have expressed concern to me that the CAA is running a consultation that may lead to a significant increase in the charge it levies on airports, so a cost element comes into the CAA process, which it is important to take into consideration.

In addition, there is the proposal to transfer some of the aviation security oversight functions from the Department for Transport to the CAA, which in turn will directly charge airports for those services, which is not currently the case. As the Bill contains no provision for the airport operator to pass the charges directly to users, that will mean an increase in cost that the operator has to absorb, and those costs are extreme. At Belfast International airport, it is likely to be in the region of £100,000 to £120,000 annually. Obviously, that is unwelcome, because it eats into the capability to reinvest in infrastructure, yet the Government’s first objective was to encourage reinvestment in the airports. There are perhaps unintended consequences, but they are significant when we take into account the fact that the annual CAA licence, which is based on passenger numbers alone, presently costs the likes of Belfast International airport £202,000 a year, which is a 50% increase on top of what it already pays. That is very concerning. Who can absorb such colossal sums of money annually?

It has also been pointed out to me by officials from Belfast International airport that we must recognise the relationship between the economic regulation of London’s airports and the Government’s priority of attracting new, direct routes to emerging economies that will help the UK economy to grow. The Bill is about regulating, but it is also and should be about encouraging growth in our airports to encourage growth in our businesses and tourism, and the Bill has a part to play in that. We in Northern Ireland want a balance between regulation, growth and opportunity for our airports, Belfast International, Belfast City and Londonderry.

The hon. Member for Crawley (Henry Smith) also referred to that in relation to Gatwick, and he outlined the issue of regulation. Gatwick wants the regulation system to reflect the way in which the aviation sector operates. Gatwick is clearly emerging as a business airport, competing with Heathrow, and it has space available—another issue that has emerged. In determining whether an airport should be regulated, the CAA must find that an airport is dominant, as interpreted in competition law by the European Commission and referred to in the CAA’s own competition assessment guidelines, and Ministers should provide clarification on that matter.

The CAA has said that it fully expects more than 50% of all decisions to be appealed under the new system. That suggests that the present system is not perfect, and that changes should be made sooner rather than later. Will the Minister clarify how the Government have assessed the financial and business impact that the new appeals system will have, and whether they will consider additional safeguards to reduce the burden that it will place on regulated airports, such as a narrower right of appeal?

The Transport Committee recommended that the information publication requirements should not create disproportionate burdens for the aviation sector, and that is another issue of concern. Gatwick is now competing with other London airports. There is clear evidence of that, with airlines and passengers moving among competing London airports and Gatwick, and airlines choosing Gatwick over others to establish brand new routes to key trading partners. There should be no risk of presumption towards regulation.
I will conclude with a final comment on the CAA. It has been indicated to me that the CAA is unable to deliver slots for Heathrow airport. Indeed, it has been identified that the European Union needs to amend regulations in order to enable flight slots for regions, for example for Belfast International airport and Belfast City airport. Can the Minister confirm that the Government have no power as a result of EU regulations to retain or safeguard routes between Belfast and Heathrow? I understand that if she is unable to confirm that, amendments to the Bill will be tabled in the other place. I look forward to the Minister’s response to those questions.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

CLIMATE CHANGE

That the draft CRC Energy Efficiency Scheme (Allocation of Allowances for Payment) Regulations 2012, which were laid before this House on 26 March, in the previous Session of Parliament, be approved.—[Jeremy Wright.]

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

DANGEROUS DRUGS

That the Misuse of Drugs Act 1971 (Temporary Class Drug) Order 2012 (S.I., 2012, No. 980), dated 29 March 2012, a copy of which was laid before this House on 3 April, in the previous Session of Parliament, be approved.—[Jeremy Wright.]

Question agreed to.

PETITIONS

VAT on Static Caravans

10.6 pm

Mr Deputy Speaker (Mr Nigel Evans): I advise the House that time is crucial and I would like to explain how we plan to do this. There are a large number of petitions to be presented and I hope that it will be of assistance to the House if I set out how we shall proceed.

Once the first petition relating to VAT on static caravans has been read to the House, with its prayer, subsequent petitions on the same topic should not be read out in full. Members should give a brief description of the number and location of the petitioners and state that the petition is “in the same terms”. Members presenting more than one petition should present them together.

When a Member has presented a petition, she or he should proceed to the Table and hand it to the Clerk, who will read its title and then hand it back to the Member. She or he should then proceed directly to the petitions bag at the back of the Chair. I will call the next Member immediately after the Clerk has read the title. At the expiry of half an hour, no further petitions may be presented orally, but they may be placed in the petitions bag and will be recorded as formally presented. Is everybody happy? I call Mr Graham Stuart to present his petition.

Mr Graham Stuart (Beverley and Holderness) (Con): Normally at this time of night the House is emptying, not filling up. Instead, colleagues are coming into the Chamber because of their concern about the imposition of VAT on static caravans. If enacted, the Government’s proposal to impose VAT on static caravans will cost jobs. Only today, Willerby Holiday Homes, Britain’s largest caravan manufacturer, announced plans for 350 redundancies in anticipation of the tax rise. Jobs will be lost not only in manufacturing and the supply chain, but in the parks themselves, which employ 26,000 people directly across the country. I am grateful to Mr Speaker for allowing us half an hour this evening to present these petitions on behalf of so many constituencies across the country. Although I will read out the full text, Mr Deputy Speaker, you have asked that others do not do so.

In addition to presenting a petition on behalf of those in Beverley and Holderness, I am presenting petitions from the constituencies of: Birmingham, Northfield; Blackpool South; Blyth Valley; Bognor Regis and Littlehampton; Bridgwater and West Somerset; Carlisle; Christchurch; Clacton-on-Sea; Dwyfor Meirionnydd—I hope there are no more Welsh constituencies to trouble me; Eastleigh; Filton and Bradley Stoke; Forest Heath; Harwich and North Essex; Islwyn; Milton Keynes South; Montgomeryshire—I am confident about pronouncing that one; New Forest West; North Devon; North Norfolk; Poole; Rochdale; Selby and Ainsty—I am delighted to see my hon. Friend the hon. Member for Selby and Ainsty (Nigel Adams) in his seat and supporting this presentation; Shrewsbury and Atcham—I am also delighted to see my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) in his seat; South Dorset; South Down; Stirling; Tynemouth; Wells—I am delighted to see the hon. Member for Wells (Tessa Munt) in her seat; West Bromwich West; West Dorset; West Worcestershire; and Workington. Mr Deputy Speaker, you can tell the breadth and depth of concern about this issue.

The petition states:

The Petition of residents of Beverley and Holderness Constituency. Declares that the Petitioners believe that levying VAT on static holiday caravans would cost thousands of jobs in the caravan industry; and notes that the Petitioners believe that such a levy would lose revenue for the Government.

The Petitioners therefore request that the House of Commons urges the Government to reverse its decision to levy VAT on static caravans.

And the Petitioners remain, etc.

The following petitions were also presented:

The Petition of residents of Rochdale.

The Petition of residents of Christchurch.
The Petition of residents of West Bromwich West.

The Petition of residents of Dwyfor Meirionnydd.

The Petition of residents of Clacton on Sea.

The Petition of residents of South Down.

The Petition of residents of Bridgewater and West Somerset.

The Petition of residents of West Dorset.

The Petition of residents of Filton and Bradley Stoke.

The Petition of residents of Montgomeryshire.

The Petition of Residents of Ceredigion.

The Petition of Residents of Eastleigh.

The Petition of Residents of Selby and Ainsty.

The Petition of residents of Birmingham Northfield.

The Petition of residents of Poole.

The Petition of residents of Blyth Valley.

The Petition of residents of Bognor Regis and Littlehampton.

The Petition of residents of Forest Heath.

The Petition of residents of Carlisle.

The Petition of residents of South Dorset.

The Petition of residents of Tynemouth.

The Petition of residents of North Norfolk.

The Petition of residents of North Devon.

The Petition of residents of Stirling.

The Petition of residents of Harwich and North Essex.

The Petition of Residents of Blackpool South.

The Petition of residents of Workington.

The Petition of residents of Islwyn.

The Petition of residents of New Forest West.

The Petition of residents of Shrewsbury and Atcham.

The Petition of residents of Milton Keynes South.

The Petition of residents of Ludlow.

The Petition of residents of West Worcestershire.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I present a petition in the same terms as those presented by the hon. Member for Beverley and Holderness (Mr Stuart), from constituents of mine at the Waren caravan park, Waren Mill, Bamburgh in the Berwick-upon-Tweed constituency. My constituents are deeply concerned about the impact not just on manufacturing, but on the holiday parks and caravan sites in whose business model sales are an important factor.

The Petition of residents of Waren Caravan Park, Waren Mill, Bamburgh, Northumberland.

Andrew Percy (Brigg and Goole) (Con): I, too, present a petition, on behalf of the residents of the Brigg and Goole constituency, in the same terms as my hon. Friend the Member for Beverley and Holderness (Mr Stuart).

The Petition of residents of Brigg and Goole.

Mr Philip Hollobone (Kettering) (Con): Having voted against the imposition of VAT on static holiday caravans in the Budget resolution debate on 18 April, I have the privilege to present a petition in the same terms on behalf of residents of the Kettering constituency.

The Petition of residents of Kettering constituency.

Lisa Nandy (Wigan) (Lab): I present this petition, on behalf of the residents of Wigan, in the same terms as the hon. Member for Beverley and Holderness (Mr Stuart).

The Petition of residents of Wigan.

Peter Aldous (Waveney) (Con): I present a petition in similar terms on behalf of residents of the Waveney constituency in Suffolk.

The Petition of residents of Waveney.

Laura Sandys (South Thanet) (Con): I have the great honour of presenting this petition in the same terms as my hon. Friend the Member for Beverley and Holderness (Mr Stuart).

The Petition of residents of South Thanet.
Mr Peter Bone (Wellingborough) (Con): I present this humble petition of residents of Wellingborough in Northamptonshire and the surrounding areas in the same terms as those that have already been presented and, in particular, because there is the significant manufacturing of such caravans in my constituency.

The Petition of residents of Wellingborough.

Mr David Davis (Haltemprice and Howden) (Con): It is my privilege to present a petition in the same terms as those of my hon. Friend the Member for Beverley and Holderness (Mr Stuart), who made it clear that this is being done to prevent enormous numbers of job losses around the country, with the highest concentration probably in East Yorkshire, not least in Haltemprice and Howden, on behalf of which I present this petition signed by 612 residents.

The Petition of residents of Haltemprice and Howden constituency.

Mr John Whittingdale (Maldon) (Con): I thank and congratulate my hon. Friend the Member for Beverley and Holderness (Mr Stuart) on the way in which he has conducted his campaign. My constituency contains a large number of static caravan parks, and I therefore endorse all his remarks. It is my honour to present a petition on behalf of my constituents in Maldon.

The Petition of residents of Maldon.

Mark Garnier (Wyre Forest) (Con): I add my gratitude and thanks to my hon. Friend the Member for Beverley and Holderness (Mr Stuart) for the effort he has made in representing the interests of this industry. In similar terms to the aforementioned petition, I have great pleasure in bringing to the House 400 signatures from the residents of Wyre Forest.

The Petition of residents of Wyre Forest.

Mr David Hanson (Delyn) (Lab): In similar terms to those of the hon. Member for Beverley and Holderness (Mr Stuart), I have pleasure in presenting a petition to this House on behalf of more than 1,000 residents of Delyn in north Wales—not only those associated with caravan parks but those associated with the fish and chip shops, pubs and supermarkets that serve them.

The Petition of residents of Delyn constituency.

Diana Johnson (Kingston upon Hull North) (Lab): I have pleasure in presenting a petition of 3,249 signatures from the residents of the constituency of Kingston upon Hull North, and also presenting, on behalf of my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), a petition signed by 1,788 of his constituents. This matter is of particular importance to both our constituencies owing to the manufacturing of caravans in the city of Hull.

The Petition of residents of Kingston upon Hull and East Yorkshire.

Martin Caton (Gower) (Lab): I present a petition in the same terms from the residents of Gower.

The Petition of residents of Gower.

Karl Turner (Kingston upon Hull East) (Lab): I present a petition with 1,401 signatures on behalf of the residents of Kingston upon Hull East. This issue is terribly important and even more so today, with Willerby Holiday Homes announcing a consultation on redundancies for 350 staff as a direct result of what the Government plan to do.

The Petition of residents of East Hull constituency.

Mr Alan Reid (Argyll and Bute) (LD): I present a petition in the same terms signed by 346 people who are residents of, or visitors to, Argyll and Bute. Owners of static caravans bring a great deal of money to Argyll and Bute, and many businesses in the constituency are very worried that the impact of this tax will mean a loss of revenue and a loss of jobs.

The Petition of residents of Argyll and Bute constituency, and others.

Mr Andrew Turner (Isle of Wight) (Con): I present a petition in similar terms from the Isle of Wight, from 356 residents or visitors.

The Petition of residents of the Isle of Wight Holiday Parks.

Ian Paisley (North Antrim) (DUP): It is my honour and privilege to prevent a “Stop Caravan Tax” petition of behalf of my constituents, in the same terms as that presented to the House by my friend the hon. Member for Beverley and Holderness (Mr Stuart). In the wonderful villages of Bushmills and Ballycastle, and indeed in the Glens, caravan parks will potentially be destroyed by such a tax. As I voted against it, it is my honour to defend the rights of those villagers and prevent this tax on holidays.

The Petition of residents of North Antrim constituency.

Mr Greg Knight (East Yorkshire) (Con): I seek to present a petition signed by approximately 1,000 residents of East Yorkshire and beyond. It is in identical terms to that presented by my hon. Friend the Member for Beverley and Holderness (Mr Stuart). My constituents who are petitioning agree with his, and I agree with him.

The Petition of residents of East Yorkshire.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I fervently wish to present a petition on behalf of my constituents in the beautiful county of Ayrshire, which depends heavily on tourism and will be most adversely affected if this measure goes through.

The Petition of residents of Ayr, Carrick and Cumnock.
Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I am delighted to present three petitions in similar terms to those presented by my hon. Friend the Member for Beverley and Holderness (Mr Stuart), on behalf of residents of the Wood Park Caravans, Celtic Holiday Parks and Perran Sands parks and many other people in my constituency.

The Petition of residents of Carmarthen West and South Pembrokeshire constituency.

Amber Rudd (Hastings and Rye) (Con): My constituency has the most beautiful caravan sites in the country. I have the honour of presenting this petition on behalf of my constituents.

The Petition of residents of Hastings Rye constituency.

Martin Vickers (Cleethorpes) (Con): As a representative of Cleethorpes, which I have said on many occasions is the premier resort of the east coast, I am privileged to present this petition in similar terms to that presented by my hon. Friend the Member for Beverley and Holderness (Mr Stuart).

The Petition of residents of Cleethorpes.

Mr Mark Williams (Ceredigion) (LD): I present this petition on behalf of residents of Ceredigion in west Wales, in similar terms to that presented by the hon. Member for Beverley and Holderness (Mr Stuart). In particular, I wish to bring to the House’s attention their concerns about job losses in the small business sector, which supports the tourism industry.

The Petition of residents of Ceredigion.

John Healey (Wentworth and Dearne) (Lab): I have a petition here, “Stop the Caravan Tax”, signed by Scott Staniforth of 45 Vicar road, Wath, and others from my constituency. They see that the tax on static caravans could add £8,000 to the price of a caravan, price families out of their regular holiday and thwart many people’s ambition to own an affordable second home. They have therefore signed a petition in similar terms to that presented by the hon. Member for Beverley and Holderness (Mr Stuart).

The Petition of residents of Wentworth and Dearne constituency.

Andrew George (St Ives) (LD): In the 11 minutes remaining, I should like to deliver a petition on behalf of Mr Norman Bliss of the Lower Treave caravan park at Crows-An-Wra, near Penzance, in my west Cornwall and Isles of Scilly constituency, the premier holiday destination of the United Kingdom. In handing me this petition, the petitioners pointed out that the measure, far from resolving the anomaly that the Government said they had identified, created a new anomaly between static caravans and static bricks and mortar. I am proud and very pleased to support the hon. Member for Beverley and Holderness (Mr Stuart) in his excellent campaign.

The Petition of residents of the St Ives constituency.

Simon Reevell (Dewsbury) (Con): I am delighted to present a petition on behalf of my constituents in similar terms to that presented by my hon. Friend the Member for Beverley and Holderness (Mr Stuart). Up to a quarter who signed the petition expect to lose their jobs if the proposal is not reversed.

The Petition of residents of Dewsbury.
**Littering and Fly-tipping**

*Motion made, and Question proposed. That this House do now adjourn.*—(Bill Wiggin.)

10.27 pm

**Andrew Selous** (South West Bedfordshire) (Con): I am very grateful to Mr Speaker for granting this debate on a subject about which I have always felt strongly. I spoke of my dislike of fly-tipping in my maiden speech on 2 July 2001, and unfortunately, despite more money being spent on clearing up litter and fly-tipping, the problem has got worse and not better.

Although the Government have reduced the deficit by a quarter in the two years they have been in office, they are still spending more than their income, which is why the £863 million spent on street cleansing in 2011 is such a huge sum. If we add the cost of cleaning the highways and railways, and the cost of removing fly-tipping from public and private land, the actual amount of public money spent on cleaning up litter in England is well over £1 billion annually. If people behaved responsibly and cared for their local areas by not littering, that money could be used to care for the needy and the vulnerable in our communities.

My argument is that we need rigorous and robust action from the Government, the police and local authorities, as well as a massive increase in personal responsibility and care for our local environment from an army of concerned citizens. I pay tribute to street cleaners in every constituency, the vulnerable in our communities.

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notices is mainly done by local authority officers and police community support officers. Does the Minister think that there is scope for all police officers to join the front line of the fight against the litter louts?

We need to take every opportunity to tell the public that littering is offensive and wrong, and will be punished. I am pleased, therefore, that the Highways Agency is trialling anti-littering signs on its electronic gantries across motorways in three areas. I would like this initiative rolled out across the whole UK.

In many European countries, plastic bags are simply not offered at supermarkets. Customers can either buy a permanent bag for a few euros or are given a brown paper bag. Unsurprisingly, those countries have many fewer plastic bags littering the countryside. Plastic bags do not biodegrade easily and consequently remain as litter for very long periods. Will the Minister update the House on the Government’s plans to vastly reduce the number of single-use plastic bags being used in the UK?

Some other countries also have deposit refund schemes. Do the Government believe that such schemes could be introduced in the UK? I understand that the CPRE has done some research in this area and believes that such schemes would make a difference and could be introduced at no cost to the Government. What assessment have they made, then, of how successful these schemes are in other countries?

All Members care for our country and want to make it a better place. We all have a role, therefore, in trying to make Britain a country in which there is less litter. The amount of litter throughout our country is symptomatic of how people view their country and their local community. If someone litters, it means they do not care about their immediate environment or the impact their actions have on others. Litter is about personal responsibility and whether we, as citizens, care about the country we live in. As we approach a moment of great pride in our country’s history, celebrating the diamond jubilee of Her Majesty the Queen, I hope that we can all—those in authority and individual citizens—play our part in making this country one that has far less litter and fly-tipping in it.

10.38 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I congratulate my hon. Friend the Member for South West Bedfordshire (Andrew Selous) on bringing this matter to the House and on continuing his long-running and cogent campaign. I share his phobia of litter and fly-tipping. Without wanting to sound sanctimonious, I will tell the House that during the election campaign, so concerned were my supporters about litter that we took a day off campaigning to pick up litter in the otherwise fairly tidy town of Newbury. The issue goes to the heart of what we feel about our communities, our sense of place and this country.

My hon. Friend referred to his constituent, Mrs Prosser. I am sure that we can all think of Mrs Prossers in our constituencies who, unthanked and unrewarded, do amazing work, because they have pride in, and mind about, their community. As a society, we have to find a better way of rewarding and thanking people such as Mrs Prosser for their wonderful work.

Stephen Phillips (Sleaford and North Hykeham) (Con): The simple fact is that Mrs Prosser and others should not have to undertake such activities, but at least while they do have to I hope that my hon. Friend will join me in congratulating her and all those in my constituency who clear litter from the verges on the valuable work they do.

Richard Benyon: I entirely agree with my hon. and learned Friend and thank the volunteers in his constituency who do that, and I resent, in almost equal measure, the people with such little regard for our communities and countryside that they throw the litter in the first place, thereby requiring those volunteers to perform the selfless act that he describes.

Let me set out to the House the Government’s plans for good-quality local environments and the actions that we are taking to tackle littering and fly-tipping. We know from repeated public surveys that the appearance of local neighbourhoods matters greatly to people, ranking alongside or above concerns such as global climate change or rising fuel prices. Poor quality environments can destroy neighbourhood pride and create a climate of fear and neglect. These are therefore important issues, and it is right that we take a close interest in addressing them. Local authorities are on the front line of dealing with littering and fly-tipping. They have the duty to clean up public land and the powers to take enforcement action to fit local circumstances. Although most fly-tipping on public land is handled by local authorities, the Environment Agency also has a role in investigating large fly-tipping incidents, in particular those involving hazardous waste or organised crime. As my hon. Friend the Member for South West Bedfordshire said, on private land the responsibility for dealing with fly-tipping rests with the landowners—often at great cost to them and their businesses—although many local authorities offer advice, guidance and, in some cases, help.

Tessa Munt (Wells) (LD): I wonder whether the Minister could address the problem of different local authorities having different responsibilities. In my area, Somerset county council has shut a number of local recycling centres, leaving the district councils as the level responsible for dealing with fly-tipping. That transfers the cost from the county council’s budget, but means that district councils have to deal with an increasing problem. Indeed, they are left having to charge, through council tax, which seems most unfair.

Richard Benyon: I understand that all local authorities, like the Government, face difficulties and have to set priorities. If we are to be a truly localist Government, we have to leave decisions about priorities to be taken locally. In areas with unitary councils there is less misunderstanding on the part of the public about who is responsible. When I was a district councillor, people were always blaming the county council for things that were my responsibility, and vice versa. I know that this is a difficulty in areas with two-tier local authorities, but I understand the point my hon. Friend makes.

The charity Keep Britain Tidy carries out a survey for DEFRA each year, and this year the 10th report was produced. It provides an opportunity to look across the changes in the last decade and highlights the fact that
litter levels are not much better than when the survey was first carried out, in 2001, with 15% of areas deemed “unsatisfactory” for litter. Yet since that time, the costs to local authorities of sweeping the streets, including dealing with litter, has risen by hundreds of millions of pounds, as my hon. Friend the Member for South West Bedfordshire said, to little short of £900 million.

DEFRA and the Environment Agency host the collection data on fly-tipping, through the Flycapture reporting system, which helps to provide evidence of the nature and scale of fly-tipping and allows decisions to be made locally and nationally on the best interventions to tackle the problem. Fly-tipping continues to have too great a detrimental impact on the local environment. In 2010-11, there were 820,000 fly-tipping incidents in England. Although that is a reduction compared with the previous year, this is in part due to changes in reporting practices by some authorities. The true figure is likely to be considerably more, as it is recognised that many incidents, particularly those on private land, go unreported. We also know that a lot of fly-tipping involves domestic waste, which can ordinarily be collected by local authorities or taken, as has been said, to civic amenity sites.

So what can be done to make real inroads into the persistent levels of litter? The Government’s commitment in this regard is clearly set out in the coalition’s programme for government. We aim to reduce litter as part of our drive towards a zero-waste economy. Changing the attitude and behaviour of those who drop litter and casually fly-tip is essential, which is why the Government are committed to working with Keep Britain Tidy, businesses, local authorities and community groups on their “Love Where You Live” campaign. It appeals to all sectors of business and across all sectors of society, and support is coming from Wrigley, McDonald’s, Network Rail, Coca-Cola, Waitrose and many others. Businesses can contribute in many ways: by supporting the campaigning effort; by carrying their message to customers, staff and others; and, directly, through changing the design of their products, packaging and services to reduce the possibility of litter from the outset. The “Love Where You Live” campaign holds promise in being able to attract widespread support to capture the public’s imagination and inspire civic pride, especially in this year of the Queen’s diamond jubilee, and the London Olympic and Paralympic games.

Christopher Pincher (Tamworth) (Con): Will my hon. Friend give way?

Richard Benyon: I am very short of time and I must answer the questions put by my hon. Friend the Member for South West Bedfordshire, but I will certainly give way at the end if I have time.

I, like my hon. Friend the Member for South West Bedfordshire, welcome the Daily Mail’s “Spring Clean for the Queen” campaign to encourage clean-up events for the Queen’s diamond jubilee.

I know that littering from vehicles is a particular problem for local authorities. In March, the Secretary of State met businesses, trade associations and local authority representatives to look at what more can be done to tackle this. There was great enthusiasm for voluntary action and for innovative ideas coming forward from business, including carrying branding and anti-litter messages in vehicles, in outlets and in communications with customers and staff to raise awareness of the issue. I was interested in what my hon. Friend was saying about the Highways Agency, because there is much more we can do, working with it.

Changing attitudes and behaviour is key. Much can be done through voluntary approaches to tackle littering from vehicles, but the Government’s mind is not closed to the regulatory route if that will work. London boroughs will soon start using powers under private legislation to issue a civil penalty against the registered keeper for littering. We want to see how that works in practice—to see if it helps to support behaviour change efforts elsewhere. If it works well, we will consider applying the approach more widely across the country.

The CPRE proposal for implementing a bottle deposit scheme has been mentioned. As part of the review of waste policies in 2011, the Department undertook a full analysis of the costs and benefits of implementing such a deposit system, based on the CPRE’s report “Have we got the bottle?” Although such a scheme may increase recycling rates for the materials covered and reduce litter, the estimated costs of running such a scheme are very high; they are much higher than alternative measures that could achieve the same aims. Taking that into account, it was decided not to take forward this option for the time being and instead to concentrate on other ways to increase recycling and address litter.

My hon. Friend mentioned bags. Concern about single-use carrier bags has also been raised frequently with my colleague Lord Taylor of Holbeach, who leads on this issue. We share the concern about the effect that those bags have on the environment, and about the increase in their distribution. We are looking carefully at all options to make sure that we further reduce their usage, and we are paying close attention to developments in Wales, where a 5p per bag minimum charge was introduced in October last year. The Welsh Government are currently evaluating their policy, and we will consider our position on carrier bags further following the evaluation of that scheme in July.

Let me deal with other issues that my hon. Friend raised, particularly the action we are taking against fly-tipping. The Government’s review of waste policy in England, published in June 2011, set out a range of measures to tackle fly-tipping. The approach advocated in the review is to make it easier for businesses and others to do the right thing with their waste, while also ensuring that the sanctions available act as a real deterrent to those responsible for waste crime.

A major area of concern is the cost incurred by public landowners for clearing up fly-tipping on their land where local authorities are not under any obligation to act. We do not have an accurate figure for fly-tipping on private land or for clearance costs, as landowners are not required to report them to Government. As my hon. Friend the Member for South West Bedfordshire said, however, the Country Land and Business Association estimates that it might cost their members, or landowners across the country, in the region of £50 million to £100 million a year to dispose of fly-tipped waste.

This issue was highlighted in recommendations made by the Farming Regulation Task Force in 2011. We are working towards the development of best practice on the prevention, reporting, investigation and clear-up of
fly-tipping through the National Fly-tipping Prevention Group and the taskforce implementation group. The aim is to allow local solutions that will free landowners of much of the “hassle” associated with clearing fly-tipped waste from their land. We are also looking at developing a partnership approach between landowners and local authorities that will encourage clearance of fly-tipped waste and the adoption of measures to improve local environmental quality. We will be presenting our approach at a ministerial summit to be held with key stakeholder groups later this summer.

As for sanctions for fly-tipping, these include stronger powers for the Environment Agency and local authorities to seize vehicles further to investigate suspected involvement in fly-tipping, as well as revoking the registration of waste carriers who repeatedly flout the law. While the penalties for fly-tipping are sufficient—up to a £50,000 fine on summary conviction—we want to ensure that the levels of fines and sentences handed down by the courts act as a deterrent. We have provided evidence to the Sentencing Council, which is considering producing a separate sentencing guideline for magistrates on fly-tipping. I am now happy to give way to my hon. Friend the Member for Tamworth (Christopher Pincher), if he still wishes to intervene.

Christopher Pincher: If the offer is still on the table, I will; I am grateful to the Minister for sweeping me up in his remarks. He rightly says that public attitudes need to be changed. Does he agree that the flexible attitude of some councils to supporting volunteers is to be commended? In my Tamworth constituency, Streetscene, the street cleaners, offer volunteers bags, litter pickers and gloves, and come back at the end of the litter-picking exercise to take the bags away. Is not that sort of positive flexibility to be commended?

Richard Benyon: It certainly is. I commend those sorts of schemes, which I have seen happening elsewhere. There is also good partnership working to be had between parish councils, town councils and higher tiers of local authorities where equipment can be shared and know-how and guidance can be supplied to volunteer groups and communities that wish to carry out their own spring cleans. This is clearly to be welcomed.

What about people who put their waste out for collection incorrectly? This is a matter of concern. Hard-working people, who already have enough worries, should not face the threat of being punished for innocent mistakes such as putting their bins out an hour or two early. It can be a problem when that is wrongly labelled as somehow similar to fly-tipping. That is why we want to change the law so that only the small minority whose behaviour causes problems for their neighbours and harms the local environment as my hon. Friend described will be punished; we want to make the fines more proportionate. As a first step, we are changing the law to reduce the level of fines under the current fixed penalty notice regime. These changes are due to come into force on 30 May. We intend to make longer-term changes, including removing the current criminal sanctions, as parliamentary time allows.

My hon. Friend raised the issue of sanctions. He is right that littering is an offence under the Environmental Protection Act 1990. The litterer can be prosecuted in magistrates courts and can on conviction face a fine of up to £2,500, as well as getting a criminal record. As an alternative to prosecution, local authority enforcement officers can issue a fixed penalty notice of between £50 and £80; it can be set locally, and is soon to rise. So there are sanctions, and they do hurt the perpetrators of this crime—for it is a crime.

Underlying all that, however, is the need for us as a Government, and, perhaps, us as a society, to view the problem as a culture of littering which has been allowed to develop and which we see regularly in some corners of our constituencies. It requires education in schools, it requires education of the adult population, and it requires a true partnership between those who love and respect their communities—and who constitute the vast majority—and the inconsiderate minority who are apparently happy to see their communities trashed. I am a great believer in the “broken windows” theory of policing, and dealing with littering is at the heart of that. I hope that what I have said tonight provides clear evidence of the Government’s commitment to tackling the blight caused by litter, fly-tipping and waste.

Andrew Selous: Will my hon. Friend give way?

Richard Benyon: I am happy to do so, in the minute that is left.

Andrew Selous: I should be grateful if the Minister would return to whether local authorities throughout the United Kingdom can now follow the example of London authorities. Has the Localism Act 2011 given all our councils the power to make byelaws similar to those being made in London to deal with the problem of litter being thrown from vehicles?

Richard Benyon: Yes. Under the neighbourhood planning scheme and the Localism Act, authorities elsewhere in the country will be able to do what is being done in London, and I expect that to prove very welcome. I think that this is an ideal issue for Members to discuss. My hon. Friend the Member for South West Bedfordshire and others who have remained in the Chamber to take part in the debate have demonstrated that it is possible for us to show real leadership and, together, to remedy a problem that has become much too prevalent throughout the country.

Question put and agreed to.

10.56 pm

House adjourned.
Westminster Hall

Tuesday 22 May 2012

[Mr Gary Streeter in the Chair]

Motion made, and Question proposed, That the sitting be now adjourned.—(Mr Gauke.)

9.30 am

Mr Gary Streeter (in the Chair): There is obviously a lot of interest in this important debate. I have the power to impose a time limit, but I will not do so from the outset—let us see how we get on. However, a little self-restraint by colleagues would be most appreciated.

Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. I thank Gingerbread, the Child Poverty Action Group, the Institute of Chartered Accountants in England and Wales and the House of Commons Library for producing excellent briefings for today’s debate.

Eleanor Rathbone, the great advocate for family allowances, which we now know as child benefit, entered politics in 1909. It is extraordinary that, more than a century later, we have once again had to secure a debate in Parliament to champion the basic principles of child benefit. There have been threats to child benefit before, but since 1945 when family allowances legislation was introduced—a watered-down version of the child support that Eleanor Rathbone and others had campaigned for—only the coalition Government have introduced legislation for the demise of the principle of universality that underpins child benefit.

Not everyone on the Government side is happy with the proposed changes, as demonstrated by the lack, bar one or two, of any Back Benchers on the Government side who wish to take part in this debate. In an earlier debate, the hon. Member for Christchurch (Mr Chope) pointed out that the Government’s proposals ask those on higher incomes with families to contribute more, while those on higher incomes without children are not asked to contribute more. I do not see how that can be fair. I do not usually quote from the hon. Gentleman, especially in agreement, but he has hit the nail on the head.

I would like to concentrate on two issues: the destruction by the Government of the universal principle, and the unfairness and unworkability of the proposed changes. The principle long established and supported on a cross-party basis is that society as a whole should contribute towards the upbringing of children, because we all share in the benefits of a properly supported next generation. Arguing for family allowances, Eleanor Rathbone captured that exactly:

“Children are not simply a private luxury. They are an asset to the community.”

The logic of accepting that view is that in a properly functioning society transfers are made to families with children—not away from them to pay for tax cuts to millionaires.

Her Majesty’s Revenue and Customs recently put out a press statement on the proposed changes, which told us that the Government’s plans for changing child benefit are legal. I have been in the House for a number of years and I am not familiar with Government Departments telling us that policy changes are legal. I can only imagine that it must reflect a measure of concern about the Government’s incompetence that Departments have taken to doing so. My concern, however, is not about the legality of the proposed changes, but that they are wrong and should not happen.

The CPAG has summarised the benefits of child allowances. They achieve horizontal distribution between families, from those without children to those with children, life-cycle redistribution—most people have children at some point and we want to help whenever families are most pressed—intergenerational redistribution, and they place a value on all children. For those reasons and many others, the benefit should be kept in its universal form. The changes are grossly unfair and probably unworkable.

The ICAEW has branded the legislation seriously flawed in principle and in practice. It points to many problems and I will highlight a few. HMRC will be using the tax system to claw back from one individual a benefit paid to the other, which could be extremely difficult as families in similar situations will be treated differently. Despite the introduction of the taper, the changes could still lead to a huge disincentive for individuals to earn more. The worst aspect of the proposed changes is that a family with a single earner who has an income of more than £60,000 is significantly worse off through the withdrawal of the benefit, while two-earner couples with incomes of up to £50,000 each will not lose the benefit.

Barbara Keeley (Worsley and Eccles South) (Lab): My hon. Friend is making a great start to the debate. When meeting people in her constituency during the local elections, was my hon. Friend struck by how hard that unfair and unworkable aspect of the change is hitting them? One voter I met, who voted Conservative at the last election, said that he will never vote Conservative again because of the unfair nature of the changes. I spent a long time talking to him and he just could not believe that it was going to be introduced.

Roberta Blackman-Woods: My hon. Friend has made an excellent intervention. The unfairness of the changes goes to the heart of the debate. I suspect that as more and more people wake up to what will happen to their child benefit next January, we will see an even greater public outcry.

The changes disadvantage single parents, and partnerships where one person has decided to stay at home. With changed family circumstances, it may be very difficult to claw back payments or decide who should pay them. Taxpayers could be penalised for failing to submit information that they have no access to, particularly if the relationship breaks down. The extra administration involved could place huge burdens on HMRC at a time of budget restraint, and particularly at a time of cuts in staffing levels. We are therefore left with a number of questions.

Kate Green (Stretford and Urmston) (Lab): Does my hon. Friend agree that one problem is that it will be very difficult for HMRC and families to manage this process,
given that family circumstances may change in the course of a year? What a person may believe at the beginning of the year is their child benefit entitlement or their tax liability could turn out to be different, leading to problems such as lump sums having to be paid back and the amount of time required by HMRC for administration.

Roberta Blackman-Woods: My hon. Friend makes an excellent point. The workability of the proposals will have to be reconsidered. We seem to be building into the system a number of problems for families. The Government could have learned from previous practice and not gone down this road.

We are left with a number of questions about the workability of the changes and the need for them, as well as questions about fairness. As late as 2009, the Chancellor was promising not to scrap child benefit. No doubt we will hear today that it has not been scrapped, but changed massively. More significantly, it has already been cut massively because of the lack of uprating with inflation. Therefore, child benefit, and families with children, have already been targeted for cuts, even without the cuts that have been made to tax credits.

Sheila Gilmore (Edinburgh East) (Lab): Will my hon. Friend reflect on the fact that, in the run-up to the Budget, there was debate about child benefit and the coming changes to working tax credit, which affect some of the lowest-paid working couples in our society? The Government found enough time and energy to make some amendments on child benefit, but none to the proposals on tax credit.

Roberta Blackman-Woods: My hon. Friend makes an excellent point. She is right. The overriding question is, why have the Government chosen to target cuts in respect of families, particularly those with children? None of us have received a satisfactory answer; perhaps the Minister will provide us with one.

The second question is, why are women being targeted again by this Government? It is not only families with children that are being targeted, but women—mostly women who are single parents—and it is more likely to be women who are put under pressure not to claim by their partners, so that their partner’s tax does not change. Whether or not that happens in reality, the Government should not even countenance the possibility. Women will suffer in terms of pension credits if they do not claim. This is a real mess and is just one more aspect of the omnishambles Budget that needs to be changed.

It took more than 70 years from Eleanor Rathbone’s entry into politics to get universal child benefit paid to the mother for all children. I hope that it does not take another 70 years for these appalling changes to child benefit to be reversed.

9.42 am

Mr Christopher Chope (Christchurch) (Con): I congratulate the hon. Member for City of Durham (Roberta Blackman-Woods) on securing this debate, which follows up debates during the Budget, during Second Reading of the Finance Bill and on clause 8 of the Finance Bill, and a similar debate before the Budget in this Chamber, which I had the privilege of introducing.

As the hon. Lady said, we have never had a satisfactory answer about why, if it is necessary to find a greater contribution towards reducing the deficit from those on higher earnings, we are targeting people on higher earnings with children, rather than those who do not have children. If my hon. Friend the Minister wishes to intervene at this stage and give the definitive reply, I shall happily give way.

The hon. Lady mentioned loss of support among Conservatives. I am worried and do not wish the Conservatives to lose support, which is why I have put a lot of energy into trying to ensure that this legislation is improved. If the Opposition had just asked to look at clause 8 during the Finance Bill debate on the Floor of the House—we considered clause 8 and schedule 1—we could have discussed the principles and referred to schedule 1, and those privileged to serve on the Finance Bill Committee would then have been able to consider the schedule in more detail. It is now apparent, according to the report by the Institute of Chartered Accountants in England and Wales, that an enormous amount of detail needs line-by-line scrutiny. Sadly, as a consequence of the earlier debate, such scrutiny cannot now be delivered, given the structure of the Committee stage of the Finance Bill, because schedule 1 has already been considered. That is a problem. I shall not ascribe blame or responsibility for that, but it means that the Government do not have the benefit of detailed scrutiny of the workability of their proposals, or, as in this case, the lack of workability.

We have a real problem. I hope that the Opposition spokesman, the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson), will say what she thinks we can do to bring this issue back on Report in a form that finds favour not just with myself and my hon. Friend the Member for Rochester and Strood (Mark Reckless)—two Conservative Back-Benchers. Incidentally, we happen to be men and it is all ladies on the Opposition Benches this morning. Let us see what we can bring about.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I hear what the hon. Gentleman says about clause 8 and schedule 1. We proposed to delete the schedule, as well as the clause, because it was a shambles. However, I hear what the hon. Gentleman says about Report. I am more than happy to consider what we can do together, because, of course, we want the Bill to come out of Committee better than it went in.

Mr Chope: I am grateful to the hon. Lady. On such issues, there is a slow fuse as far as members of the general public are concerned. They do not realise what the implications are until quite a long period has elapsed. We must look to people from outside the House—third parties, perhaps—to try to alert our constituents more to the full implications.

Barbara Keeley: Has the hon. Gentleman seen the Asda Mumdex index—a panel of 4,000 mums—sent to Members of Parliament yesterday? The optimism figure on the future of their family finances dropped from zero to minus eight in February, and the latest research found that it has dropped to minus 16. The issue may be
on a slow fuse, but people out there—certainly, women in families—are starting to understand that the future looks rather bleak.

Mr Chope: I have not seen those figures, but they obviously speak for themselves. Despite that, I am not receiving as many angry letters from constituents as when, for example, I was the junior Minister dealing with the community charge. Let us recall that in 1987 the Government were elected with a specific manifesto commitment to introduce the community charge on the back of its success in Scotland. The proposal on child benefit that we are discussing today was not even in our manifesto. Indeed, it was expressly ruled out by comments made by both the Prime Minister and the Chancellor of the Exchequer in their shadow positions before the general election.

Sheila Gilmore: As an aside, I am not so sure that, in 1987, the community charge was such a great success in Scotland. One thing that caused the eventual collapse of the community charge was not just its unfairness, but the sheer impracticality of collection, which had not properly been thought through. The operational issue was as important as anything else. It may be the same in this case.

Mr Chope: The hon. Lady makes a good point. There are two issues running in parallel. One difficulty for those of us proposing the community charge was to explain how it was fair that a duke and a dustman should pay the same amount. That difficulty ran through the public debate. At the same time, we went into great detail about exemptions for particular groups of people and an administratively burdensome system of rebates, which created a lot of fresh cliff edges, with people feeling that they had been treated unfairly. I fear that that is exactly what is happening with this ill-conceived proposal.

Mark Reckless (Rochester and Strood) (Con): The difference between the community charge and the abolition of the 10p tax rate by the previous Government and the present issue is that, at some point, taxpayers received a bill for a sum, making it clear that they had to pay it. The alternative, if this is not to become a slow-burn issue, is that come January, taxpayers will be unaware that they have to give up their child benefit or unaware of what their partner earns, so they will simply not pay or will be followed up by the Revenue and there will be mass non-compliance involving people who are unaware, or at least say that they are.

Mr Chope: My hon. Friend makes a good point. I am grateful to him for reminding us about the 10p tax rate, because that introduces a bit of political balance into this debate. It is not just the coalition Government, or the previous Conservative Government, who can get on with the wrong side of such issues, both in respect of the principle and of the detail. We need an answer to the question of why the single-parent earner on £60,000 loses the equivalent of all her child benefit, while next door the two-earner couple on up to £100,000, with their incomes spread equally between the earners, keep their child benefit. Will there be an answer to that question?

Perhaps the Minister would like to intervene. Unless we get answers to those fundamental questions, it will be difficult for us to sell the concept to our constituents.

Fiona O’Donnell (East Lothian) (Lab): The hon. Gentleman is making an excellent contribution. Does he agree that the unfairness of the measure goes beyond income? It does not take account of the number of children in any household.

Mr Chope: Of course it does not, because the whole thing is arbitrary. It is all based on the false premise that people on £20,000 or £30,000 a year are cross-subsidising those on higher incomes with children. I have had a letter published in The Daily Telegraph and the Minister has replied to my questions, but it is apparent from my hon. Friend’s answers that there is no cross-subsidy from a person on £20,000 a year to someone on £60,000 a year with however many children—that is a fallacy. I suspect that the policy is based on someone going to a focus group and asking, “Is it fair that someone on £20,000 should be subsidising a family on £60,000 with a whole lot of children?” Of course it would not be fair if it was true, but it is not true—it is a false premise and, on the basis of that, we have a policy that I fear will lose the Conservative party a large number of votes.

Let us not forget, however, that the origins of the policy lie not in the Conservative party but with the Liberal Democrats. Before the general election they were campaigning to interfere in that policy area. With the knowledge that the measure was originally proposed and supported by the Liberal Democrats, this is another example of an area in which the Prime Minister can feel free to make significant change if he wishes to respond to agitation on his Back Benches for a bigger Conservative element in Government policy. Officials have previously suggested that something should be done about taking child benefit away from those on higher earnings but my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley), who was a Treasury Minister, said that, after looking at it from all angles, he reached the conclusion that it could not be done fairly. So what are the present Government going to do? They are going to do it, and they are going to do it unfairly.

What worries me is that the measure will be administratively burdensome as well, costing more than £100 million in extra administration. We will be taking on tens of thousands of additional civil servants when the Government are saying that we want to simplify tax policy, reduce the size of the state bureaucracy and so on. There is no consistency, and I fear for my party.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship this morning, Mr Streeter. I congratulate my hon. Friend the Member for City of Durham (Roberta Blackman-Woods) on securing this important debate and on her excellent speech. If the Minister was not already worried, he should be by now because, as anyone familiar with my hon. Friend knows, she is a tireless campaigner for her constituents and against injustice generally. I am sure that this debate will not be the last we hear from her on this issue.
I am also pleased to follow the hon. Member for Christchurch (Mr Chope), who gave an excellent speech. It is great to see him on the right side, even if he was not for the poll tax. That shows that with age comes wisdom; I am pleased that the wisdom of his longevity has brought him to the right side on this issue.

We are discussing a complete mess, created by the omnishambles of a Budget, that has been allowed by Ministers to carry on for way too long. If we were being generous, we might suggest that the idea had been sitting on Whitehall shelves for some years, repeatedly pitched by numerous Sir Humphreys and batted away by successive Ministers until a particularly out-of-touch set of Ministers was easily convinced. Once the idea was out there, those same Ministers were too afraid to perform yet another 180° U-turn, so they turned only 150° instead. That would be the scenario if we were being kind.

If we were being less generous, we might wonder whether those out-of-touch Ministers were driving the idea through themselves, despite officials briefing them fully on how ludicrously complex it would be to implement and on the unfairness it would create. Perhaps the Minister will tell us which of those scenarios is the more accurate.

Either way, the high-income child benefit charge—that is what it is called—is a ridiculously complicated idea that fails the basic test of fairness. It is ridiculously complicated because the proposal is to introduce a tax in January 2013 that will not be collected until the following financial year, meaning an affected family with three children will be landed with a bill of more than £600 in additional tax during that following tax year.

If the Government are so determined to drive the charge through, why can they not at least marry up its introduction with the start of collection? The situation is ridiculously complicated; the charge will create hundreds of thousands of new self-assessed taxpayers while HMRC centres around the country, including some in my area, are being thinned out or closed entirely. Can the Minister tell us how many more staff HMRC will need to cope effectively with the increased flurry of returns over the Christmas and new year period as a result of the change? The charge is ridiculously complicated because it seeks to claw back tax from individuals for a benefit paid to other individuals who are separate in the eyes of law from the child benefit recipient if they or their partner’s income is above £50,000. That is wholly objectionable on the independent taxation of women.

Worse than all those complications is the fact that the measure fails the test of fairness because, for hundreds of thousands of families, it will take away a benefit that is supposed to be universal, as we heard from the hon. Friend the Member for City of Durham; when the benefit was brought in by Eleanor Rathbone, the principle was that it should be universal.

The evidence shows overwhelmingly that the benefit is used to meet the costs of looking after children, such as ensuring that they are well fed and have the clothes and uniforms that they need for school and the bus fare that they need to get there. Such things apply to all families. The charge fails the test of fairness because it will penalise children in single-earner families, as we heard from the hon. Member for Christchurch, while many in double-earner families who are much better off will continue to receive the benefit. It fails the test of fairness because it is yet another policy from this Tory-led Government, whose leader claimed he wanted to create the most family-friendly Government in history, that will directly hurt children and families. Among many other changes, the policy comes on top of huge cuts to Sure Start and early-years provision, the scrapping of extended free school meal eligibility and child trust funds, and a hike in VAT.

In addition, the proposed measure will take even more money out of our local economies when demand for goods and services is at rock bottom. The Treasury aims to claw back £1.5 billion from 1.2 million households, or an average of more than £1,200 from every family affected, just in the first year, with more families becoming liable as incomes creep up and the threshold remains static. That is £1.5 billion a year that will not be being spent in local shops and businesses on our struggling high streets.

Barbara Keeley: My hon. Friend’s figures are useful, but apparently the vast bulk of child benefit is spent on clothes, books and food, which shows the areas where the measure will have an effect.

Mrs Hodgson: As I highlighted myself, those are the findings. That money is spent on our high street—on books, clothes and food; it is not put into trust funds or saved up. The majority of people, whether in two-earner or single-earner families, will be hurt by the proposal because they use the money for daily necessities and not for luxuries. That is £1.5 billion a year that will not be put to work improving the quality of life of any of the children in the affected families or preserving and creating jobs in my constituency or the constituencies of any other hon. Members.

Children did not cause the financial and economic situation, yet the Government seem intent on making them pay for it. At the same time, high fliers in the City, who might well have played a part in that situation, are rubbing their hands together in glee at the cuts to the top rate of tax. Those are not the actions of a Government who have their policies straight, or who understand the lives of hard-working families; the more the public see those out-of-touch Ministers were driving the idea through themselves, despite officials briefing them fully on how ludicrously complex it would be to implement and on the unfairness it would create. Perhaps the Minister will tell us which of those scenarios is the more accurate.

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Worse than all those complications is the fact that the measure fails the test of fairness because, for hundreds of thousands of families, it will take away a benefit that is supposed to be universal, as we heard from my hon. Friend the Member for City of Durham; when the benefit was brought in by Eleanor Rathbone, the principle was that it should be universal.

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Clause 8 of the Finance Bill introduces a tax charge on a child benefit recipient if they or their partner’s income is above £50,000. That is wholly objectionable from the perspective of equality for women. One person
is being given a tax bill because another person has a high income. Nothing could be more unjust than that. The Government have said that they want to be family-friendly, but there is nothing family-friendly about this provision. Furthermore, the information-sharing requirements to make the system work will cut across the privacy that is intrinsic to independent taxation for men and women.

Treasury Ministers seem to have taken no account of the fact that people’s family circumstances may change during a year. Incomes may go up or down and, more seriously from the point of view of the independent taxation of men and women, partnerships may come together or, unfortunately, collapse. That will provide something else to argue about, and will be the cause of yet more disputes between partnerships particularly, as my hon. Friends have said, when the tax bill arrives months after the income has been secured by the other person in the partnership.

Kate Green: Does my hon. Friend agree that it is surprising that the “most family-friendly Government ever” might want to disincentivise couples from forming households and relationships? If someone is considering moving in with a new partner and realises that his income is a bit higher so the child benefit will be taxed away, he might be discouraged from forming that new relationship.

Helen Goodman: My hon. Friend is absolutely right. The permutations and problems are too numerous to mention.

We raised our questions with the Minister during the debate in Committee on clause 8 on 19 April. I asked him specifically whether independent taxation for men and women could be maintained. He responded:

“Independent taxation will still apply, each partner will still have their own personal allowance and tax rate bands, and the amount of child benefit, even if it is received by the taxpayer’s partner, will not increase the amount of income liable to tax.”

That is absurd, because it is not what independent taxation means. He continued:

“Where there are two high earners in a household and they do not want to tell each other their incomes, there will be a mechanism whereby they can find out whether they have a higher or lower income but without the full details.”—[Official Report, Finance Public Bill Committee, 19 April 2012; c. 617.]

He then said, “my time is up”; he could not explain in any more detail, and we were dismissed. Since then, tax experts at the Chartered Institute of Taxation and the Institute of Chartered Accountants have examined the matter and identified exactly the same problem. The Minister should take account of what hon. Members say. Now that tax experts are saying the same thing, I want to put them on the record this morning. I am sorry that they are not in the Chamber.

Mr Chope: I am grateful for the hon. Lady’s generous remarks. It was not only Conservative women who campaigned. She will recall that John Major made the matter a cause célèbre. He said that it was wrong to take away child benefit, and that it should remain as a universal benefit.

Kate Green: The hon. Gentleman is right. I hope to come on to the situation when John Major was Prime Minister, and some of the arguments then.

For the benefit of many hon. Members who do not seem to appreciate the underlying principles of universal child benefit, I want to put them on the record this morning. I am sorry that they are not in the Chamber to have the benefit of my exposition, but they can read it in the Official Report. As hon. Members have said, this benefit, which is important for families, is a mechanism that is redistributive horizontally and vertically, as my hon. Friend the Member for City of Durham said. As other hon. Members have said, in practice that means that families with children receive extra help to meet the cost of raising their children because, as a society, we all share the benefit of those children making a future contribution to our communal well-being. It is right to provide that support universally, and to recognise that we all share in the social obligation to maintain those families.

Over its life, the benefit is redistributive, and it enables all families to manage the additional costs that they face when raising young children, and to plan their finances across their whole lifetime. Importantly, in practice—this has been alluded to—it is a benefit that has been paid mostly to mothers. The vast majority of child benefit is
paid to mothers. Even in the richest families, it is the only source of independent income for many women, and it is essential that they have access to it to provide for and to meet the needs of their children.

As hon. Members have said, we know that that money is spent for the benefit of children, either directly on toys, books, activities, clothes, shoes and so on, or indirectly by paying down family debt, ensuring that basic household bills are covered. Things that are essential for children’s well-being are prioritised in all families, and one reason is the label it bears. There is good research evidence showing that because it is called “child benefit”, it is understood that it must be spent for the benefit of children, and that is what happens.

Fiona O’Donnell: Does my hon. Friend agree that we are talking not only about the income received, mostly by women, but also about national insurance credits that build up to a pension? People may not be in the same relationship when they retire, but the risk is that women will make a credit-only claim and that they will lose out in the long term.

Kate Green: My hon. Friend makes an important point. If women come under pressure to forgo child benefit, rather than their partner seeing an increase in their tax bill—I believe that that will happen in some families—they will lose the benefit of their national insurance credits. That will have a lifetime impact on those women and their pension entitlement. We cannot wish to pursue a policy that risks making women poorer throughout their life.

This benefit is directed towards children and has been designed to follow a child and stay with them even if their family circumstances change. That is particularly important if a relationship breaks down, because a woman may have no other source of income at that point. It may be an acrimonious dispute in which she is struggling to extract money from her former partner, and child benefit is often the only source of income on which she can rely to get through that family breakdown and make the transition to single parenthood. When I was director of the National Council for One Parent Families, even women in relationships that were financially well off described to me how important child benefit had been at that moment of family change. If women start to forgo that benefit under pressure from a partner who later decides to leave the household altogether, I worry that we will disadvantage those women and their children, which is something that we will regret.

I am surprised by the Government’s approach because it introduces a policy that will act as a disincentive to work. Universal child benefit does not disadvantage those who move into paid employment, because the benefit remains. The incentive to increase income through more working hours or going for a promotion will be removed for some families, and I cannot understand why Ministers, who are often concerned to incentivise people to maximise their income from employment, wish to go down such a route. The Government have the right objective, but this policy seems particularly perverse.

As my hon. Friends and the hon. Member for Christchurch have highlighted, the complexity that is being introduced into the system is completely at odds with the Government’s stated intention to simplify the tax system. Simplicity is not just an advantage in itself, but it means that payment is more reliable, and more likely to be accurate and more predictable. There is also much less stigma attached to the receipt of a simple universal flat-rate payment for all families.

One criticism is often levelled against the payment of child benefit to richer people, and it would probably have been made this morning had more hon. Members attended the debate—today there are mostly proponents of child benefit in the Chamber, which is perhaps why the point has not been raised. I want to put on record my response to those who ask why we are giving child benefit to people on higher incomes and asking those on lower incomes to help pay for that. The fact is that we do not—and should not—make the same argument when it comes to the national health service or our children’s education, and we do not make it for the tax system or say that higher earners should not receive the benefit of the recent increase in the tax threshold. As I am sure the hon. Member for Christchurch will remember, the higher rate of child benefit for the first child was intended to replace what had previously been the married couple’s tax allowance. It seems particularly perverse that we are now effectively seeking to tax a tax allowance, instead of understanding that in every other part of the tax system, such allowances stretch across the income spectrum. Now, we have decided to treat child benefit differently.

Roberta Blackman-Woods: My hon. Friend is making an excellent speech and she has touched on the heart of the problem caused by the proposed changes. The Government are destroying the principle of universality that has underpinned this benefit for years. We should think of all children as being important to our community, and we all share in the benefits that children bring to society. To denigrate the principle of universality says something about the values of this Government. What will be next?

Kate Green: I am grateful to my hon. Friend. Her point about universality is fundamentally about the social glue, integration and the sense of communal interest in our children that universal benefits bring.

As others have said, these proposals are unjustifiable as a matter of principle, and unworkable in practice. Hon. Members have alluded to the difficulties of coping, both for families and for the Revenue, when family circumstances change. It may be complicated to pick out who has been a member of a household over the course of a year, or to state at what point they became one, so it may be difficult to assess at what point that should result in a tax liability.

Barbara Keeley: Does my hon. Friend intend to refer to the breach of confidentiality in an individual’s tax affairs? That is a serious issue with couples. Years ago, my first piece of casework as a councillor involved a constituent who was being chased by bailiffs for his wife’s community charge. At that time, there were rules on joint liability for the community charge, and that caused huge problems between couples. It seems to me that we are back in the same territory.

Kate Green: I have no doubt that if one member of a household is liable for another household member’s income—which is what will happen—that will distort
the safety of women in that relationship and lead to something that feels fundamentally irrational and unjust. When two people are paying higher rates of tax that relationship break downs do not happen, because that is far from the case. That is yet another practical issue that must be addressed.

The position could have been very different. Perhaps all Governments wonder how they arrived at certain decisions. If we look back at this one, it seemed to arise from what looked like a clever wheeze. It was announced at a party conference, which is never a good time to announce policy, because it is the headline of the day that is very much wanted. I suspect that the thinking was, “Ah! We can really get the Labour party here. We are going to take a benefit away from higher rate taxpayers and the Labour party won’t dare to oppose that, so we will have got them on the run.”

We said right from the beginning, as well as dealing with all the issues about fairness and the reason why child benefit and its predecessor, family allowance, were introduced in the first place, that there was a practical issue. Many of the practical criticisms were voiced at that time. This all dates back to October 2010. A year later, those practicalities had apparently not been thought through very carefully. Some amendments have now been brought into being—at the last gasp—but those changes produce yet more anomalies. They produce a marginal rate of tax for some families that is far higher than presumably anyone would think was desirable for people who are in the middle ranges of income. Some families will face marginal tax rates of 50% to 60% because of how the changes take place and particularly the tapering. That has been introduced to try to make things a bit better, but arguably may make things a whole lot worse, because it introduces a whole new level of complexity.

Hon. Members have mentioned not just the community charge, but the ill-fated and, in my view, ill-thought-out 10p tax rate abolition proposal. I have said this before and I know that many of my colleagues have. I was not in this place at the time, but as party members and activists, we have a view on these things and we thought, “Oh no, this is not good.”

Robert Blackman-Woods: Is not the point about the 10p tax rate debacle—I think we would all accept that that is what it was—that when the outcome of that policy was made obvious, the Labour Government of the day reversed most of the adverse consequences of the policy? We see no indication from the current Government that they will do the same.

Sheila Gilmore: I agree. The point that I was making was that, sometimes, what looks like a clever idea to start with quickly unravels into something that is much more difficult. The slight amendments that were made to the current proposal before it was introduced into the Budget, far from addressing the issues, are making the whole thing even more complicated. Not much time seems to have been given to work these things through. Some campaigners are suggesting to the Government that it is not too late. If they are still minded to implement this proposal in some way, shape or form—I hope that they will not want to—they should at the very least not go ahead with it starting from January of next year, given that it has been so poorly thought out and
the implications and problems have not yet been fully resolved. To put a hold on it and perhaps come back if they think that they have solved those problems—ideally, they would not come back with it at all—would be sensible at this stage. I urge the Minister to give that very serious consideration.

10.26 am

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): It is a pleasure to speak under your chairmanship, Mr Streeter. It has also been a pleasure to listen to passionate and well-thought-out and well-delivered speeches from hon. Members who feel very strongly about this issue. I congratulate my hon. Friend the Member for City of Durham (Roberta Blackman-Woods), who brought it to Westminster Hall this morning to give us slightly more time to debate it than we had on the Floor of the House. I remember that the hon. Member for Christchurch (Mr Chope) pointed out then that we had 52 minutes to debate both the clause and the schedule. I heard what he said earlier today and I responded at that time, but I will say again that if we can find ways, across the Chamber, to ensure further scrutiny on Report of both the clause and the very important points in the schedule, that will be very helpful. I would certainly be more than willing to lend our support to see how we can do that.

Fiona O'Donnell: As well as welcoming the contributions this morning, would my hon. Friend agree that perhaps the Minister should be concerned that not a single hon. Member has turned up to support his proposals?

Cathy Jamieson: I thank my hon. Friend for that intervention. I was not going to point out that the Minister seems to be on his own this morning. I am sure that none the less he is very capable of dealing with the questions that have come up and will receive inspiration from various sources in order to do so. However, I will take the opportunity to repeat gently the advice that I tried to give the Minister during the discussion on the Floor of the House: “When you’re in a hole, it’s better to stop digging and find a ladder to get yourself out of that hole.” At that time, we were suggesting that we would be willing to work with the Government to see what could be done to mitigate the worst outcomes of this flawed policy, and that offer still stands.

Mr Chope: If I were the hon. Lady, I would take comfort from the fact that there are no Back Benchers here, because it shows that notwithstanding the very powerful Conservative Whips Office, they have not been able to dragoon anyone into coming here to support the Government’s policy today.

Cathy Jamieson: I thank the hon. Gentleman for that intervention. It is not for me to interpret what the Conservative Whips Office is able to do to deliver people to the debate and ensure that they turn up. None the less, we have heard some very powerful speeches, not least from the hon. Gentleman himself.

Roberta Blackman-Woods: Perhaps we should also note, especially as the idea for the policy appears to have come from Liberal Democrat members of the coalition, that there are no Liberal Democrats here at all to defend their ridiculous policy.

Cathy Jamieson: I thank my hon. Friend for putting that on the record. I am sure that note will duly be taken.

I want to use this opportunity to explain how we have got to the position we are in and what we need to do to resolve the problems. It is worth remembering that when the plans were announced, a single-income household earning just over £43,000 would have lost all the benefit, but a dual-income household on £84,000 would have kept all of it. The 2012 Budget increased the threshold for the withdrawal of child benefit to those earning £50,000 or more from 2013-14. That might have gone some way towards solving the problem for some families, but the estimate was that about 750,000 might be in a better position—but it does not get away from the essential point that the principle of universality is fundamental to child benefit, as my hon. Friend the Member for City of Durham and other hon. Members have said.

We heard powerful speeches from my hon. Friend the Member for Stretford and Urmston (Kate Green) and others about why the principle is important and why we must do everything we possibly can to defend it. Child benefit is supposed to be about providing families, particularly mothers, with a dependable source of income for the benefit of the children and which a mother knows she will get irrespective of what goes on in the family. As we have heard, research from Child Poverty Action Group and others shows that the money is by and large spent on the day-to-day necessities for children.

I do not want to take us off-track, but the hon. Member for Christchurch mentioned the community charge. He was a junior Minister when it was introduced, as he explained, and I was a young mum. I spent many a wet Saturday campaigning against the introduction of the community charge in Scotland. If anything at that time politicised me and many other women, it was the unfairness of what the Government were doing. I do not say that to be critical of the hon. Gentleman—he has been very helpful this morning—but simply to say that when put in front of Ministers, sometimes issues look like a wonderful wheeze on the basis of the paperwork that the Government have produced, but it is when we look at the impact on people’s lives that such policies begin to fall apart. That is what is happening here.

I want to say a few words about the other issues raised in the debate. My hon. Friend the Member for City of Durham spoke not only about the principles of child benefit and the workability of the proposals, but about their legality. She made a powerful statement: these changes are wrong and they should not happen. That is absolutely right and it is the position that we are coming from this morning.

My hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) mentioned workability and the fact that the proposals were far too complex. She critically identified the real impact on real families. A family with three kids could find itself with a bill of £600 at the end of the year. That might not seem to be a big deal when someone is writing it in a policy proposal, but for many families that £600 bill will mean the difference between being able to buy necessary items for their kids and not being able to do so. Being asked to pay such a bill suddenly can throw a household budget out for months.
Fiona O'Donnell: I thank my hon. Friend for her generosity in giving way again. Does she agree that we need clarification from the Minister? If a parent who is entitled to child benefit throughout the year receives a bonus from an employer at the end of the tax year that takes them over the threshold, what will happen to the family?

Cathy Jamieson: My hon. Friend makes another useful point. We raised that issue with the Minister on the Floor of the House. Many people, because they get a bonus at work or because they are self-employed, will find at the end of the year that they have earned either more or less than they anticipated. Many self-employed people are not earning huge sums of money, so such issues are critical to them.

Roberta Blackman-Woods: My hon. Friend is being most generous. A back-dated pay increase is another circumstance that must be quite common.

Cathy Jamieson: That is an important point.

Barbara Keeley: I have a further serious example. I have a constituent who from time to time works with his firm in Afghanistan. His firm pays him a bonus because of the difficulties of working in a theatre like that. There must be hundreds, if not thousands, of people who get that sort of payment.

Cathy Jamieson: My hon. Friends have given very practical, real-life examples of the kind of circumstances in which people may feel penalised for doing particular types of work or for taking on additional risks and responsibilities. A thing that we hoped that we could persuade the Government to do, if nothing else, was not to implement the changes straight away, and perhaps the Minister could come back on that point. If they are intent on doing this—the Opposition believe that they would be wrong to do so, and I hope that they will pull back—at the very least would they be prepared to pause, produce a report and look at the circumstances in which people would be adversely affected?

My hon. Friends the Members for Bishop Auckland (Helen Goodman) and for Stretford and Urmston raised the tax implications, and my hon. Friend the Member for East Lothian (Fiona O'Donnell) mentioned national insurance contributions. The main concern around those is that when organisations such as the Institute of Chartered Accountants and others that deal with tax issues day to day say that the principles are wrong, it is of serious concern. The Minister has to say whether taxing an individual in respect of money that was paid to someone else is not a fundamental change in how individual taxation is dealt with. I will give him the opportunity to intervene if he wishes, but perhaps he prefers to answer in his speech. Such organisations have looked at the proposals and raised serious concerns. It is a shift and could open opportunities in other ways for similar proposals to be brought in, which would be extremely concerning for the reasons that other hon. Members have set out.

Until I heard the Minister's earlier comment, I was not aware that his wife was a lawyer. I am sure that she has some views about how, rather than defending the policy, the Government now seem to be relying on describing it as absolutely legal, as was identified earlier. None the less, there are questions about how they arrived at that position. When the regulations to justify the legality of this were introduced in Parliament, were they discussed in relation to child benefit or any other benefit issues? Was it ever anticipated that those regulations would be used in such a context? Could he deal with that issue in his response? If he cannot answer today, I have tabled a parliamentary question that I hope he will answer in due course.

I want to give the Minister time to respond, so I will speed up. I have made those points because the report from the Institute of Chartered Accountants identified the issue of HMRC using the tax system to claw back a benefit from one individual that was paid to another. The tax system is based on individuals and the benefit system is based on households, so that undermines the principle of taxation. I have not seen anything from the Minister that describes how a household will be interpreted in the tax regulations. Families in similar financial situations could be treated quite differently, which undermines the policy of fairness. Changed family circumstances could, as we have heard, make it difficult or impossible to calculate the clawback, or determine who should pay it; and, indeed, we have heard examples showing that if family circumstances change during the year someone will be presented with a tax bill at the end of it, leading to greater uncertainty about family budgets.

There has also been concern about collecting the charge through PAYE coding. The report by the Institute of Chartered Accountants in England and Wales states that it could lead to delays of up to three years, and undermine the efficiency of the whole system, because any coding adjustment is an estimate, and it would be necessary to re-estimate the code repeatedly. We are no longer just dealing with the principle of child benefit; we are dealing with a fundamental change to the taxation system. That should be scrutinised further. I hope that the Minister will be able to give some responses to the issues that have been raised this morning. Will he also address the point made by my hon. Friend the Member for East Lothian—she raised it, indeed, on the Floor of the House—and others about women who might forgo the opportunity to claim child benefit, but would not receive credits for their national insurance contributions? That is a serious matter that has not been addressed.

Roberta Blackman-Woods: Is it not critical that women should understand at this stage that that is a possible outcome of the changes? People have already started writing to me on the issue, and the Government need to take action.

Cathy Jamieson: It is an important point. I want to put another couple of related questions to the Minister. In the budget for dealing with the consequences, a certain amount of money was put aside for marketing. I raised with the Minister on the Floor of the House the issues of what information is available, and how to assess who is likely to be caught by the circumstances. I would like to hear exactly how the Minister intends to communicate to the individuals involved—to get the information out, and get the advice to those likely to be affected. How will be ensure that people do not make damaging decisions at a point in their lives when it may be easier to do that, without looking at the longer-term
consequences? We all know that there are situations—we heard examples in the debate—in which an individual in a household may feel under pressure to do something that is not particularly to their advantage.

I hope that the Minister will be able to deal with the points I have made. I will finish by returning to the point about section 18(2)(a) of the Commissioners for Revenue and Customs Act 2005, which the Government have cited, arguing that it makes the use of the tax system legal in the present context. The understanding of the Association of Chartered Certified Accountants is that that use of the provision is a last resort in the giving of one partner’s information to another. ACCA suggests that only where taxpayers who must talk to one another to make the system work correctly do not do so should the section be brought into play. How will the Government assess when to use it and breach confidentiality? There are serious issues about what information about one partner will be given to another. Will it be only “Your partner is in a higher tax band”, or will it be detailed information? I do not think we have had an answer to that.

I hope the Minister can give us the information this morning. It is worth noting that earlier in the week the Institute of Chartered Accountants warned that the new tax would be an “operational disaster”. Surely that should be of concern to the Minister, and should mean that we get answers this morning, and that the Government think again.

10.44 am

The Exchequer Secretary to the Treasury (Mr David Gauke): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for City of Durham (Roberta Blackman-Woods) on securing the debate, and thank all the hon. Members who have contributed. A number of factual questions have been asked about the operation of the policy on child benefit, and I shall deal with as many as possible.

The changes that we announced at Budget 2012 ensure a balance between reducing the cost to the Exchequer of child benefit and ensuring that those on low incomes will not be affected. I must put the measure in context; it is the consequence of the state of the public finances that the Government inherited. We have to make decisions because of the Budget deficit that we inherited—the largest in our modern history. It is, unfortunately, the British people who will have to pay for the debt left to us by the previous Administration.

Fiona O’Donnell: I follow the Minister’s argument about the need to reduce the deficit, but will he acknowledge that that is no excuse for a bad policy that even Members on his own side acknowledge is intrinsically unfair?

Mr Gauke: It is because of the state of the public finances that we must take difficult decisions. I will strongly defend the policy, but I must make the point to hon. Members who oppose it that it is helping us to reduce the deficit by £1.8 billion. If we do not find that sum in the way in question, we will need to find it somewhere else, or borrow more. That is the decision that we all face.

Kate Green: I understand, although I do not agree with, the point that the Minister makes, but why is he singling out to bear the burden those families in higher-rate tax brackets who have children, rather than equivalent-income families with no children?

Mr Gauke: My hon. Friend the Member for Christchurch (Mr Chope) made that point. The reason is that child benefit is essentially the only item of welfare spending that goes to households with individuals who earn more than £60,000 a year. I understand the argument that the hon. Lady and my hon. Friend are making: let us keep spending and raise taxes. That is a tax and spend approach. I do not know whether the hon. Member for Stretford and Urmston (Kate Green) speaks for her party on that; I know that my hon. Friend the Member for Christchurch does not for ours.

Kate Green: I am confident of speaking for my party when I assert our absolute commitment to the universal payment of child benefit.

Mr Gauke: I think the corollary of that is being in favour of increasing the rate of tax on higher earners, but the hon. Lady did not quite make that explicit.

Mr Chope: I could understand my hon. Friend’s argument if what he were now introducing were not a tax, but it will be a tax rather than a reduction in benefit, will it not?

Mr Gauke: As my hon. Friend knows, the Office for National Statistics will make an assessment of whether the measure constitutes a tax increase or a spending cut. However, child benefit is spent on households with people who earn more than £60,000.

Cathy Jamieson: Will the Minister give way?

Mr Gauke: I will, but I am conscious that we have got into the political knockabout before I have tried to address some of the concerns that were raised, which I hope to do.

Cathy Jamieson: It is just a brief point. The Minister correctly referred to the ONS. When will that assessment be made, and when will we be told what it decides?

Mr Gauke: If memory serves, the ONS will make that assessment after the policy has come into effect, in January 2013.

As I said, we face a large deficit and seek to reduce it in a way that is both fair and reasonable. It is only right and proper to ask those with the broadest shoulders to bear the greatest burden; because of this measure and others announced by my right hon. Friend the Chancellor in the Budget, that will be the case. Considering the universality of child benefit was never our first choice, but that is the position in which we have been left.

I recognise that many are concerned about the change. Some argue that child benefit must be sacrosanct. However, it is not fair that an individual who earns £15,000, £20,000 or £30,000 should be paying for benefits for those earning £80,000, £90,000 or £100,000. When Government need to raise revenue, it makes sense for them to turn to a measure with a broad base because
significant numbers of recipients will not be reliant on the additional payment they receive. Child benefit is just that sort of payment.

The steps that we are taking will raise £1.8 billion for the Exchequer by 2014-15. That is why my right hon. Friend the Chancellor announced in 2010 that we would seek to withdraw child benefit from higher-rate taxpayers. We have always said that we would consider the ways in which to implement the measure, but we made it clear that a new complicated means test is not a sensible way forward. Instead, we should look to the existing systems and processes to ensure that we can achieve our goal.

Let me turn to the changes that we are introducing.

Kate Green: I will give way, but I am keen to answer some of the points that were raised in the debate.

Kate Green: The Minister thinks that we do not have a new complicated means test, but does he not accept that we have a new complicated tax test—and that from a Government who want to simplify the tax system?

Mr Gauke: The alternative method, which would have been to do this on household income, would mean applying the tax credit system to all 8 million child benefit recipients. That would widely expand the tax credit system and impose a burden on a far greater number of people.

We propose to withdraw the financial gain from child benefit from those families where one partner has income of more than £60,000, and reduce the gains where one partner has income of more than £50,000. By applying a tax charge on those on high incomes using existing processes, we are doing it in the most efficient and pragmatic way. The charge will apply to an individual in receipt of child benefit, or their partner, where they are married or in a civil partnership, or living as if they are married or in a civil partnership. I hope that that answers the point about what a household is. It uses the current definitions of partners within social security legislation, and means that other adults living within the household do not affect the liability.

It will remain the case that two earners just below the threshold will not have their child benefit withdrawn. To introduce a new means test for family income would be complicated, costly and confusing—the very things that we wish to avoid. We would need to assess all of the 8 million households receiving child benefit, and we would need to do so each year.

Let me turn to the mechanics behind the changes that we are introducing. First, the changes will not affect those receiving child benefit who have income under £50,000, or whose partner does. That will mean that 85% of families receiving child benefit need not be troubled by the changes—85% means more than 7 million families. Where an individual or their partner has income of more than £50,000, the charge will be tapered depending on their income. The equivalent of 1% of the child benefit award will be charged for every £100 increase over £50,000 in adjusted net income. That means that child benefit is fully withdrawn at an income of £60,000. Furthermore, the thresholds between which the taper operates are not dependent on the number of children.

Those affected—around 1.2 million taxpayers—will declare their liability through the income tax self-assessment process, though just over half are already within the SA system. Although we recognise that the charge will bring some taxpayers into self-assessment for the first time, using self-assessment means that the tax can be calculated on the basis of the amount of child benefit received, and the taxpayer’s actual income. That is preferable to including an estimate in a taxpayer’s PAYE code, only to discover an underpayment or overpayment of tax at the year end as actual income proves to be different from estimated income. Even as small a change as £100 will change the amount of tax due for an individual on the taper. As a third of taxpayers affected will benefit from a reduced liability as they are on the taper, using PAYE rather than self-assessment would generate large numbers of under and overpayments.

The changes will take effect from 7 January 2013, with individuals affected including information relating to the charge for the first time in their self-assessment returns for the tax year 2012-13. The first payments of the charge will be due by 31 January 2014 if a taxpayer chooses to pay in a lump sum. Otherwise, the amount due for 2012-13 will be collected through the tax code in 2014-15.

Cathy Jamieson: I have a quick point. The Association of Chartered Certified Accountants is concerned that there will be further confusion over the fact that although the new scheme starts in January, the tax year does not start until April. How does the Minister answer that criticism?

Mr Gauke: Initially, we said that the scheme would be introduced from 1 January 2013—actually, it is from 7 January because that is the first day on which child benefit is payable. Such a time scale is perfectly operational, and there is no reason why we cannot run it from that particular point. Obviously, were we to delay the introduction of the scheme until April, there would be a cost to the Exchequer.

The introduction of the taper means that the vast majority of taxpayers with income between £50,000 and £60,000 will still gain from taking on extra work or getting a pay increase, even if it does take them over the £50,000 threshold.

A taxpayer or their partner would need to receive child benefit for at least eight children before the tax due on their additional income equalled the amount of income itself. Equally, an individual’s income may reduce so that they are no longer liable to the charge. That may also mean that tax due in respect of previous years can no longer be collected through the tax code. In such cases, HMRC will use its usual debt management processes.

Let me address the issue of opting out, which has been raised by a number of hon. Members. We are enabling individuals to opt out of receiving child benefit. Understandably, the point has been raised about state pensions and so on. Let me be clear. National insurance credits, which protect a person’s future entitlement to basic state pension and the state second pension, will remain available to all those who take time out of work to bring up children. The protection is given to anyone claiming child benefit for a child under the age of 12, even if they do not receive any payment or if they or their partner has to pay the new tax charge. The introduction...
of the tax charge will not affect a person’s right to claim child benefit. Child benefit will remain available to be claimed by anyone responsible for the child.

Parents and carers will have two options to safeguard their state pension, and they will be made clear on the child benefit claim form. First, they can claim child benefit and receive the payments. If liable, they or their partner can pay the new charge. Alternatively, they can submit a claim form for child benefit to establish their entitlement for state pension purposes, but choose not to receive the actual payments. That means that neither they nor their partner will be liable to pay the new charge, but the national insurance credits will still be received.

As for compliance, our approach means that we can use the current HMRC systems. That reduces the cost of implementation both for HMRC and the individuals affected. HMRC will use existing penalty regimes for those who choose not to tell it that they are liable to the new charge or who declare the wrong amount on their self-assessment return.

In the interests of time, let me turn to the issue of taxpayer confidentiality that the hon. Member for Bishop Auckland (Helen Goodman) raised. We have some disagreement over the meaning of independent taxation. It is about individual allowances and assessment of own income. In the 1980s, it replaced the system whereby a husband declared his wife’s income on his return, which increased his income. I understand the concern over taxpayer confidentiality. Information that should be shared between partners relates to whether child benefit is being claimed and which of the partners should have the tax charge—in other words, which tax partner is earning the most income.

The mechanisms in place will provide the minimum of information. Partners who may not be talking to each other can discover who is earning the most, but not the full details and whether or not child benefit is being claimed and for how many children. That is the extent of the information that needs to be shared, and HMRC is developing a process that enables it to share limited information with an ex-partner.

As I have already said, the Government have had to make difficult decisions. To continue to provide child benefit, we must do so in a sustainable manner. The current cost to the Exchequer for those recipients less in need is too high. To pay almost £2 billion to higher-rate taxpayers does not represent good value for money in these challenging times. We also recognise that we must withdraw child benefit to higher earners in a fair manner. The increase of the threshold to £50,000 and the introduction of the taper ensure that we are taking this action only in relation to those who can most afford it.
There is anecdotal evidence, too. I have heard from some Members who wanted to be in Westminster Hall today for this debate but were unable to make it, and they asked me to raise some issues. In particular, one MP had a constituent who had come to them regarding an American visitor who was staying with them. During their holiday, the American visitor became ill and attended NHS facilities for treatment. They then contacted their medical insurer in the US, which suggested that they provide proof of the cost of their treatment; the American visitor would need a receipt from the NHS, so that they could claim back the money from their medical insurer. However, when they contacted the trust in question, they were told that no such receipt was available and the trust itself had not collected the data about the nature and cost of their treatment, even though this visitor was a foreign national and ineligible for free NHS care, and actually wanted to pay the bill because they were very grateful for the fantastic treatment that they had received. Consequently, a receipt could not be provided.

So there are examples of how trusts are clearly not following the guidance and collecting NHS debt from foreign nationals. It is particularly worrying that a 2008 survey of NHS managers suggested that a third of them did not even bother to ask patients whether they were eligible for free treatment when they arrived at hospital.

**Mr Virendra Sharma:** (Ealing, Southall) (Lab): Is the hon. Gentleman now talking about those foreign nationals who arrive here specifically to receive treatment, or those foreign nationals who come here as visitors, become ill and are then unable—for whatever reason—to pay for their treatment? We must not mix the foreign nationals with political asylum seekers, overstayers and others who, for whatever reason, live here for many years but are not eligible to receive NHS treatment. Is the hon. Gentleman mixing those two groups, or separating them?

**Chris Skidmore:** No, I am certainly not mixing them and I will come to the issue of eligibility that is defined around the term “ordinarily resident”. I want to talk about that in terms of the historic issues that determine whether foreign nationals should be charged for treatment. Obviously, there have been various reports in the past decade, including a 2007 report by the Joint Committee on Human Rights that examined services available to asylum seekers, and those reports have raised that very issue. If access to care and treatment was denied to those who are vulnerable and in genuine need of care, that would undeniably make the situation worse and cause them far greater distress and harm. In those circumstances, we have a right and a moral duty to ensure that people are treated.

On the other hand, we have what some red-top newspapers might call “health tourism”. I use that phrase with some trepidation, because the situation is certainly more complicated than that phrase implies; it suggests that people are simply flooding in across our borders to ensure that they can receive NHS treatment, and that is certainly not the case. There are eligibility criteria that apply, but my concern is that they are not being applied strictly enough by various trusts. On the back of the previous Government’s consultation on this issue, between February and June 2010, the current Government have now decided to tighten certain eligibility criteria, particularly regarding asylum seekers and specifically when asylum seekers have their right of asylum refused.

There is obviously an issue with border security as well, and I welcome the fact that the Government have introduced measures, through the Home Office, in relation to those who have left the country with unpaid debts to the NHS of more than £1,000. I put down a written question that suggested that each year there are 3,600 foreign nationals who accrue such a debt for their NHS treatment and that they should not be allowed re-entry to this country unless those debts were paid off. There is a spectrum through which one has to view who is a foreign national and who is “ordinarily resident”.

I do not deny that establishing the difference between those two groups can be very difficult and that there is a very fine balance to strike. Nevertheless, it is clear from the data that I have received in response to my FOI request that the current system is not working. If there is a situation, as there is at the moment, whereby debts are being accrued and not reclaimed, and whereby a third of NHS managers are not even asking patients whether they are eligible for free treatment or whether they are a foreign national, that is a very big issue.

In many ways, one can understand why someone working within an NHS trust would not want to ask someone about their nationality; it might simply be easier to provide treatment. That is because of the simple fact that, once someone has been categorised as a foreign national and therefore they must be charged because they are ineligible for free care, those charges must be recouped. The costs of recouping those charges could far outweigh the charges themselves.

Moreover, I do not deny that some patients will turn up at an accident and emergency department or trust with a particular complication, which becomes severely worse. For whatever reason, they happen to die and there is no way in which the charges for which they would have been liable can be recouped. All those particular situations need to be taken into account.

In the Health Committee, we looked at how different trusts operate and collect their debts, or even monitor which people coming through their doors are eligible for free care and treatment. West Middlesex University hospital has what is called a “stabilised discharge system”. If a foreign national is admitted to hospital, the doctor first establishes whether there is a need for urgent life-saving treatment, which is obviously a priority for the NHS. If that is not the case, the person is told what treatment is required and how much it costs. If they are unwilling to pay, they are asked to leave. That policy in the hospital nearest Heathrow airport has saved the hospital £700,000 in each separate year. Even within the existing guidance and criteria, there are the means and possibilities by which trusts can ensure that the criteria are followed correctly and that savings can be made. I am sure that if every trust acted in the same way as the West Middlesex University hospital, we would see the amount of debts incurred by foreign nationals drop significantly.

The hon. Member for Ealing, Southall (Mr Sharma) mentioned the criteria around a foreign national and who is and is not eligible for care. The context of this debate, as I mentioned, is an historic one. It was not until 1989 that the British Government began to require certain overseas visitors to pay for hospital treatment.
That was defined in regulations in 1977, when legislation permitting persons not ordinarily resident in the United Kingdom to be charged for NHS services began to be looked at.

How we define someone who is not ordinarily resident, as opposed to someone who is ordinarily resident, is interesting. In a way, it is a common law concept, but in NHS health care legislation there is no definition of “ordinarily resident”. The only definition comes from a 1982 judgment in the House of Lords, which was actually in the context of the Education Bill that was passing through the other place at the time. The definition of “ordinarily resident” was:

“living lawfully in the United Kingdom voluntarily and for settled purposes as part of the regular order of their life for the time being, whether they have an identifiable purpose for their residence here and whether that purpose has a sufficient degree of continuity to be properly described as “settled”.”

That means that UK citizenship and past or present payments of UK taxes or national insurance contributions, contrary to what many of our constituents might think, are not directly taken into account, in the way that “ordinarily resident” has been defined.

In the review that they are currently conducting, I urge the Government to consider how we will define “ordinarily resident” in future. The NHS is a contributory system that people pay into to receive free care at the point of treatment. That is right. The NHS is free for citizens who have paid into the system. It cannot be a free-for-all for everybody to use. Our constituents wish us, as legislators, to address that concern.

It is clear that the current rules and regulations, having been addressed and re-addressed over time, have caused some confusion. In 2007, the Joint Committee on Human Rights produced a report on services to asylum seekers. It suggested that the new rules introduced in 2004 regarding asylum seekers and whether they were eligible for free care—or, once their asylum application had been turned down, whether they were still eligible for free care—caused confusion about entitlement. It suggested that the interpretation of the rules appeared to be inconsistent, and that in some cases people who were entitled to free treatment had been charged in error.

At the time, the Labour Government began a consultation looking at the use of primary care by foreign nationals using the NHS. It is clear that in acute and secondary care, charging regulations apply. The problem is that the implementation of those charging regulations has not been effective, and we need to be more stringent about the implementation of current guidance.

Currently, there are no charges for primary care, whether people are eligible or not. People can register with a GP for primary care, regardless of status. The Labour Minister at the time, in 2004, held a consultation on whether there should be charges for foreign nationals and people who were ineligible for free care. He suggested that the consultation was necessary because

“the rules about entitlement to primary care are best described as a muddle.”

I agree. In my own experience as MP for Kingswood, I have found a firm of lawyers in Bristol—Deighton Pierce Glynn—that has been writing to doctors urging them to register patients and saying that if they do not, it will take legal action, regardless of the patients’ nationality and eligibility for free care. I raised the matter in the local media, in the Bristol Evening Post. It is wrong, and I am concerned that our NHS will become a legal paradise for lawyers piggy-backing on doctors who are doing the best that they can with the resources that they have. They know that NHS resources are stretched and need to be rationed and that there is a big problem.

One lawyer responded in the Bristol Evening Post by saying that lawyers were not trying to change the law:

“We are trying to apply the law as it is. Nobody is excluded from GP treatment. It is very clear. Hospital treatment is different. People come to us when they have been refused registration with a GP. There is nothing in the law that permits them to do that. Refusing them isn’t lawful.”

This particular case concerned asylum seekers who had had their asylum applications refused. When the GP in question received the letter from Deighton Pierce Glynn, an unnamed member of staff said:

“Someone at the PCT read the letter and panicked. Do we just register everyone who is illegal?”

There is clearly confusion being stoked by certain members of the legal profession who seem to be taking advantage of the uncertainty of eligibility within primary care so that they can profit when their clients wish to apply to the NHS.

On the situation in primary care, I was interested in a question asked by the right hon. Member for Birkenhead (Mr Field) on 23 April 2012. He asked the Secretary of State for Health

“(1) what documentation a foreign national who seeks to register with a GP is required to provide;
(2) whether a foreign national on a six month visitor’s visa is entitled to register with a GP;
(3) on what grounds a GP whose list has not been closed may refuse an application to register from a foreign national.”

The reply was:

“Under the terms of their existing contract, general practitioners (GPs) have discretion in accepting applications to join their lists. However, they cannot turn down an applicant on discriminatory grounds. They can only turn down an application if the primary care trust has agreed that they can close their list to new patients or if they have other reasonable non-discriminatory grounds.

There is no formal requirement to provide documentation when registering with a GP. However, many GPs, when considering applications, request proof of identity and confirmation of address, but in doing so they must not act in a discriminatory way.

A decision on whether to register a foreign national who has a six-month visitor visa is therefore currently for the GP to consider.”

[Official Report, 23 April 2012; Vol. 543, c. 701-702W]

That raises issues. I do not like to quote Sir Andrew Green, the chairman of Migration Watch UK, but he stated:

“What this means is that someone getting off a plane with a valid visitor’s visa is, in effect, able to access the GP services of the NHS without ever having paid a penny into the system. Over one and a half million such visas were issued last year.”

Once someone is registered with a GP, the regulation and guidance mean that if they need further secondary care, it is the relevant NHS body’s duty and not the GPs to establish the requirement for free hospital treatment. That raises the issue of the extent to which that takes place. Once someone is on the GP’s books, that is almost a rubber stamp into receiving secondary care.
I am not suggesting that GPs act as pseudo-immigration officials checking people’s eligibility for free care, but there clearly needs to be a more joined-up approach between the people who end up on GPs’ books and who are then referred by GPs to secondary care specialists, and what that then involves in terms of charging. When it comes to the issue of primary care and foreign nationals, I do not believe that foreign nationals should be entitled to free primary care. We should extend the charging regulations further.

Mr Sharma: I apologise; I should have congratulated the hon. Gentleman earlier on securing this debate, which is important not only to his constituents but to people all over the country, who take the issue seriously. It is also important in my constituency, where it is discussed every day.

I am a bit confused; I hope that the hon. Gentleman will clarify. He is mixing foreign nationals and those who have been here for many years. As I see it, in this debate, foreign nationals are those who come especially to register themselves for a few days, who receive treatment and who disappear without paying, due to system failures, although I will not get into that debate. For those already here, if GPs act as immigration officers or work on behalf of the UK Border Agency, that will mean health problems.

Mr Gary Streeter (in the Chair): Order. Interventions should be brief.

Chris Skidmore: I certainly do not mean to confuse or mislead. When I say foreign nationals, I mean those who come to this country requiring care who are not defined as ordinarily resident under the current regulations. Personally, I think that we should consider the definition of “ordinarily resident”. I have no problem with people’s nationality, whether they are British or a citizen of whatever country. If they work in this country and are contributing to society, it is right that they should receive the free care towards which they have contributed.

Equally, exemptions apply for matters of public health and vulnerable groups. As the hon. Gentleman mentioned, if denying access to treatment could worsen the health of the community, let alone the individual, it is right that we should act responsibly. However, that should not preclude the creation of a clear definition of who is and is not eligible for care. One reason why we are having this exchange is that there is no clear, black and white definition. There will, obviously, be shades of grey, as there always are in health care. Health care professionals have a moral obligation to treat people in need, the sick and the vulnerable. I do not deny that, but we also have a moral obligation to our taxpayers to ensure that NHS money is spent as well as it can be.

A few people have come to me and said, “Mr Skidmore, it’s only £60 million out of a budget of £110 billion. Surely you’ve got to factor in debt. We should be able to expect that amount of debt to be written off.” I do not accept that argument. My local community hospital, Cossham hospital, is undergoing a £20 million refurbishment at the moment, and my constituents are so excited that it is taking place. That £60 million is a lot of money; it could have paid for the refurbishment of Cossham hospital three times over. We must count millions in order to save billions. During this efficiency drive, when we are trying to reinvest 15% to 20% of NHS resources in front-line care, it is a key aspect of the Nicholson challenge that we look for waste in the system and for instances where regulations are not being applied effectively.

I agree with the hon. Gentleman that we must be careful about how we define a foreign national. I do not want this to be seen as a xenophobic campaign, because it certainly is not. It is based on the conviction that the NHS is a national health service that provides free care at the point of use, but should not be abused; it should be free at the point of use, but not at the point of abuse.

The GP situation includes the lawyers at Deighton Pierce Glynn, who have been contacting GPs, and the Minister of State’s answer to the right hon. Member for Birkenhead about the issue of visas and documentation, which raises an issue that I think GPs would welcome.

Part of the consultation involves clarity about what GPs must look for when patients register in their practices, and whether they can say, “I’m afraid I cannot register you, because you don’t have the necessary data documentation.” As far as I understand it, the lawyers have been writing to GPs saying that by not registering patients, they are applying a discriminatory process. However, I was interested to read that paragraph 5.16 of the guidance on charging, in the section on GPs in primary care, says:

“It is important to see that all patients are treated the same way, to avoid allegations of discrimination.”

That is also clear in the Minister’s answer. The guidance goes on to say:

“It is not racist to ask someone if they have lived lawfully in the UK for the last 12 months as long as you can show that all patients—regardless of their address, appearance or accent—are asked the same question when beginning a course of treatment. The answer to that question may result in others needing to be asked, but again you will not be breaking any laws as long as those questions are asked solely in order to apply the Charging Regulations consistently.”

It is in the guidance that GPs have the right to ask, as long as they ask everybody. They will not be applying a discriminatory process.

As I said, in 2004—they reported in 2009—the previous Government began to consider whether we should extend charging to primary care and how eligibility criteria should be tightened. The review suggested that charging would not be extended into primary care. I hope that we as a Government might be able to reconside. I know that this Government are committed to ensuring that national health care resources are spent in the right way. My constituents appreciate that, as I have said.

The Home Office has introduced measures so that anyone owing the NHS £1,000 or more will not be allowed to enter or stay in the UK unless the debt is paid. When that is implemented, the Home Office hopes to capture 94% of outstanding charges owed to the NHS; hopefully, it will have a significant impact. Encouragingly, the review commissioned on 18 March 2011 suggested:

“The existing system is still too complex, generous and inconsistently applied. While the NHS remains committed to providing immediate or necessary care, it is important that a balance of fairness and affordability is also struck.”

I agree entirely.

The review taking place will now consider
[Chris Skidmore]

“qualifying residency criteria for free treatment; the full range of other current criteria that exempt particular services or visitors from charges for their treatment; whether visitors should be charged for GP services and other NHS services outside of hospitals”, as I suggested; and

“establishing more effective and efficient processes across the NHS to screen for eligibility and to make and recover charges”.

I suggest that as part of the consultation, they consider West Middlesex University hospital and the good work being done there. Finally, the review will consider “whether to introduce a requirement for health insurance tied to visas.”

I was encouraged when the Minister said:

“The NHS has a duty to anyone whose life or long-term health is at immediate risk, but we cannot afford to become an international health service, providing free treatment for all. These changes will begin the process of developing a clearer, robust and fairer system of access to free NHS services which our review of the charging system will complete. I want to see a system which maintains the high esteem in which it is held, not only in this country, but throughout the world. I do not want to be a scaremonger. I want to keep my comments balanced. It is not in my nature to stir up angst or discontent. As the hon. Member for Kingswood has mentioned, we do not want xenophobia or discrimination, but the figures are unsettling and there are concerns that our health system is being taken advantage of by some people, which is to the detriment of British people who are waiting to be seen and receive treatment.

Anyone who knows me either inside or outside this Chamber will know that I often put my hand in my pocket to help those in Africa, India and other parts of the world. The same is true of other Members and of our great nation, because we are a nation of givers. Our charity contributions in a time of economic restraint are still above the norm—we are holding our own. In Northern Ireland in particular, our charity giving per head of population is second to none. I am all for international development and believe that we as a nation have a role to play in helping others who need it. The UK makes a significant contribution to third world aid, and we continue to do so—our commitment is to give—while other countries are cutting back. We as a nation are making a significant contribution and will continue to do so. I and other Members support the Government entirely on that issue.

I am also a constituency man and know that people are becoming discouraged. I am conscious that I am speaking as a Northern Ireland MP and that health is a devolved matter. Cancer patients talk to me about new treatments that cannot be paid for on the NHS because of lack of funding. I have asked questions on the Floor of the House about whether new treatment will be made available for those constituents of mine who clearly need it. In the past few days, we have heard on the news about the postcode lottery—that terminology is often used—whereby the treatment depends on the funds available where someone lives and the demands on the system. That is not necessarily a criticism—it is a fact of life. My constituents deserve to have the best treatment in the world and I will work as hard as I can to ensure that that happens.

The fact that £40 million is owed by some foreign nationals needs to be addressed. The Minister and the Home Office have indicated that they intend to introduce a £1,000 threshold to “capture 94 per cent of outstanding charges owed to the NHS.” I hope that that will be the case.

I hear that people now believe that we have a lax system. Again, we need to keep a balance. We cannot provide a world health service—if it just cannot be done; the moneys are not there. We need to draw the line, and I believe that we should draw it in this place and that it should be a straight, firm line. Will the Minister indicate whether there will be a review or a reassessment of the six-month visa that allows GP registration and access to NHS care? That needs to be clarified, so that we can see where we are going.

There is a clear difference, as the hon. Member for Ealing, Southall has mentioned, between those who are taken ill on holiday and those who come here directly to take advantage of our health system. Again, it is about balance.

I have been encouraged to hear the Government’s proposals, but as a Northern Ireland MP I am concerned about whether they will make their way over to Northern
Ireland. I will chat with my colleagues at home to ensure that we implement like-for-like proposals. Health is a devolved matter in Northern Ireland and the Health Minister is a member of my party. I will certainly have some discussions with him. The hon. Member for Kingswood has touched on this issue, but will the Minister explain what interaction there will be with the regional Assemblies—the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly—so that we have a UK-wide policy? It is important that all of the devolved Administrations have a similar policy to that on the mainland in England.

There are so many people in need of our health system at home that if we were to take in every sick person who was able to travel to the UK, it would not take a week until we imploded because of the demands on our system. We have to be realistic about what is expected of us and how we can help others. It about getting the balance right. The NHS is our national health service and one into which we have paid over many years through our tax system.

I had the privilege—some would say that it was not a privilege—of serving on the Health and Social Care Bill Committee, on which both Government and Opposition Members discussed the figures and tried to devise a reorganisation that would save money and still provide a good service. As well as delivering what is best for our citizens in the United Kingdom, it is important that we are able to help those who need it and who come here not with any specific intention to take advantage of the NHS, but who find themselves in need of it due to ill health. Any of us can be taken ill on holiday, so we take out insurance, which covers us for so much. It does not cover for circumstances in which ill health might result in a longer stay than anticipated, but it does help part of the way.

Some have taken advantage of the system. The Government are right to tighten the system and to ensure that there is a good NHS for the whole of the United Kingdom. The hon. Member for Kingswood referred to the term “health tourism”, which others have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those. We have used and which sends out signals. Whether that term is correct or not, some people are doing it. We need to make sure that we have a system that can help those when they need it. We are a caring nation—we do not want to turn people away—but our system needs to be able to help those.

The commonly agreed figure that the hon. Member for Kingswood has mentioned is that the debt accrued by foreign nationals to the NHS is around £40 million. He is right to point that out. It is a lot of money—whether
it is £40 million or £60 million—that would buy a lot of medicine and fund a lot of projects in a lot of communities. If the figure is £40 million, it is approximately 0.1% of the £3.5 billion that the Government are wasting on NHS reorganisation now. None the less, that figure is an awful lot of money.

The NHS is built on the principle that it should provide a comprehensive service based on clinical need, not ability to pay. However, at the same time, it is a national health service—not, as has been repeated on a number of occasions, an international health service. There must not and cannot ever be any doubt about that. Therefore, it is right that we impose charges for overseas visitors, who are defined in respect of NHS hospital treatment as people who are not ordinarily resident in the UK.

The previous Labour Government were committed to maintaining the existing system of charges, but they proposed a series of further safeguards, including amending the immigration rules so that anyone who accrued substantial medical debts would not be allowed back into the country if they left without settling their bill. I am genuinely pleased that the current Government have adopted so many of those recommendations. However, we need to look again at the ability to make and recover charges, and we would be happy to work with the Government on that issue. For example, the previous Government considered whether foreign nationals should be charged for NHS services outside the hospital. That issue warrants further close discussion.

We also need to learn from those hospitals that are more successful at recovering charges. The hon. Member for Kingswood referred to some of those. Hospitals have a legal duty to recover any charges made to overseas patients and, frankly, some hospitals need to be much better at that. Sometimes dealing with that problem can be as simple as improving the recording of contact details, so that the patient can be pursued for payment, but I accept that the rules and procedures could be demonstrably improved. The Government should ensure that that is done and, again, we will support them in their efforts to do so.

A relevant issue that has not been touched on today is the Olympics. It would be helpful if the Minister explained what plans are in place to ensure that the NHS can meet the rise in demand from overseas visitors during the games. Will she tell hon. Members what exemptions are in place for foreign nationals using and potentially abusing the NHS. Millions of people come to this country every year for various purposes and stay for several weeks or months, but I accept that the rules and procedures could be demonstrably improved. The Government should ensure that that is done and, again, we will support them in their efforts to do so.

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Mr Reed: The hon. Gentleman makes a good point. He is obviously aware of the fact that although he, I and other hon. Members are privy to those details, the general public are not. There is a salient concern out there about the perceived emergence of a better standard of care being afforded to people who are involved in the Olympics. I visited Homerton hospital in Hackney, which is one—if not the—the Olympic hospital in London. I saw some tremendously innovative professionals there who are developing innovative medical treatments and systems of working. They need to get the message across that local people who use that hospital on a daily basis will not be disadvantaged by the Olympics. We need a clear exposition of why that will not be the case.

Although I have considerable sympathy with the contributions I have heard this morning, all hon. Members must recognise that, under the UN convention on human rights, the UK has an international obligation to provide free NHS treatment to those seeking asylum here. All of the contributions I have heard today indicate that that will not be too hard to achieve, but hon. Members must guard against those Members who advocate that we should not fulfil that obligation, because the temptation will be too much for some. When we produce facts and figures used in support of the arguments, that must be acknowledged.

We must also guard against Members from all parties who advocate that the NHS should turn away pregnant mothers or patients in need of emergency care. Overall, this issue requires a diligent, careful approach. It is not the platform for a weird, xenophobic virility contest. I look forward to hearing what the Minister has to say. There may be little common ground between my party and the Government on the NHS, but we can agree that NHS care must always be based on clinical need, not ability to pay. At the same time, first and foremost, the NHS must serve the people of the United Kingdom—those whose taxes fund the NHS, those who believe in it passionate as the guarantor of a better society and those who expect it to be there for them when they need it. I hope that we can agree on that principle as we continue to debate the issue constructively and develop the fair and appropriate policy responses that the issue deserves.

11.48 am

The Parliamentary Under-Secretary of State for Health (Anne Milton): It is a pleasure to serve under your chairmanship this morning, Mr Streeter. I thank my hon. Friend the Member for Kingswood (Chris Skidmore) for securing the debate, which has provided a useful opportunity for hon. Members from all parties to come together and share their views. I express some disappointment at the fact that the shadow Minister, the hon. Member for Copeland (Mr Reed), was somewhat party political, but I commend the hon. Member for Ealing, Southall (Mr Sharma) for his generous comments. It is important to have that on the record: we all want clarity and fairness in the system.

I have met my hon. Friend the Member for Kingswood before to discuss the matter and, again, I commend his efforts in raising the subject, which has provided an opportunity to put some things on the record. Access to NHS care is very poorly understood—indeed, that is also the case for Members of Parliament. This is about foreign nationals using and potentially abusing the NHS. Like the health system of any country, the NHS provides for foreign nationals. Millions of people come to this country every year for various purposes and stay for
different periods of time. Some become ill or have accidents, and have immediate health care needs that need to be met. We have a duty to treat them, just as other countries have a duty to treat British citizens who become ill abroad. I assure the shadow Minister that there is no question of anybody wanting to undermine that duty—nobody has raised that in the debate, it is not being discussed either and that will remain the case. However, we have a duty to taxpayers who pay for the system.

Questions were raised about who should be charged. To clarify the situation again regarding ordinary residence—settled, lawful residency in the UK—access to the NHS is not based on nationality, the payment of taxes or national insurance contributions. I accept that that is not widely understood. The service is paid for by taxpayers, so they have an interest in who has access to it. We exempt some categories of visitor from charges, such as those working or studying and those visiting from countries with which we have bilateral health care agreements. A few services are free to all—my hon. Friend the Member for Kingswood may have mentioned them—such as treatment in an A and E department, which I have mentioned, and treatment for certain infectious diseases, as there are wider public health reasons for ensuring that people receive prompt treatment.

Under the legislation, charges can only be made for hospital treatment. Charging is not in place for registering with or seeing a GP, although prescriptions are subject to the usual charges. GP registration or the holding of an NHS number does not trigger free hospital treatment. The hospital to which a non-resident has been referred should check separately for eligibility, but I know that that does not happen as it should. Current legislation allows only for charging overseas visitors for NHS hospital treatment. There are therefore no rules of entitlement governing overseas visitors’ access to GP services, and visitors are able to register.

GP s are self-employed and are contracted to provide primary medical services for the NHS. Under the terms of their contract, GPs have a measure of discretion in accepting patients on their list, but they can only turn down an applicant on reasonable, non-discriminatory grounds. My hon. Friend discussed that at length and made it quite clear what the guidance says. In practice, a GP’s discretion to refuse a patient is limited, and a GP cannot refuse to register a patient just because they cannot provide identification or proof of address—that is unlikely to be considered reasonable grounds.

The European economic area confuses the issue further, but our obligations are simple. Each country is responsible for the cost of providing treatment for their own citizens while they are in other EEA countries, unless they are working. Workers are entitled to the same access to health care as that country’s own residents, on the principle that the country to which an individual makes social security contributions is liable for that person’s health care needs. In practice, that means we pay other EEA countries for treating our state pensioners who have retired there, and for the emergency needs of our own citizens who need health care when visiting another country, using their European health insurance card. The same is also true in reverse—other countries must reimburse the UK for treatment provided to their citizens. EEA nationals who come here to work are entitled to free NHS provision.

Overall, we pay out more than we receive, simply because many more of our state pensioners choose to settle in Europe than vice versa. This is sometimes the subject of large tabloid headlines, but it is important to make that point. We may see that change in the coming months. I acknowledge, however, that we need to do more to recover income due to us from other EEA countries for providing health care to their visitors and pensioners. We have an extensive programme of work under way to address that.

As the shadow Minister said, unpaid debts are a small amount of the total spent on the NHS. However, as my hon. Friend pointed out, £30 million or £40 million pays for a lot of treatment, a lot of care and a lot of medicine. Although it is a small percentage of the total budget, for an individual it is significant. We need to recognise that in any system that charges, debts are sadly inevitable. Guidance is clear that hospitals should not provide non-urgent treatment until a chargeable patient has paid in full, but they have a legal duty to provide emergency care. When a patient is responsible for repaying a debt, if a debt is incurred, the NHS has a duty to the taxpayer to recover that debt. Audited NHS trust accounts and data from Monitor show that last year, £14 million was written off due to unpaid debts—a small but significant amount for taxpayers. We are determined to reduce that write-off without compromising the provision of urgent treatment. My hon. Friend related the terrible story of the American visitor for whom the hospital could not even provide any documentation for him to claim from his health care insurer. The statistic of a third of NHS trusts not even pursuing debts is shocking. On the other hand, we have the example of West Middlesex, which is clearly doing an excellent job.

The hon. Member for Ealing, Southall expressed his frustration with some immigration and Home Office issues, and he is absolutely right to discuss the UK Border Agency. My hon. Friend the Member for Kingswood discussed the fact that GPs do not want to be gatekeepers on immigration issues. We are therefore reliant on UKBA to ensure that people who are entitled to be here are here, and that people who are not entitled be here are not here. He also made a distinction regarding foreign nationals who come here specifically to access NHS care. I remind the shadow Minister, probably because I am significantly older than him, that this issue goes back a great deal further than the previous Labour Government. It probably goes back further than previous Conservative Governments, which have to be thanked for making the NHS such an attractive option that people came here as health-care tourists a long time before 1997.

I share the concern and frustration of the hon. Member for Ealing, Southall about immigration status. I have a university in my constituency. A lot of foreign students try to regularise their status in this country and fail to do so—their passports are left with the Home Office goodness knows how many months and the situation becomes very confusing. I think that the people he is talking about are in the grey area in the middle. We need to address this matter and will continue to work with the Home Office. To repeat for the record, the recently amended immigration rules state that a person with a debt to the NHS of £1,000 or more can now be refused...
a new visa or extension stay. That should not only assist in recovering more debts, but act as a deterrent against failing to have health insurance when visiting the UK.

[Mr David Crausby in the Chair]

Mr Reed: Will the Minister help with a genuine question about the new NHS commissioning arrangements? If clinical commissioning groups procure services from hospitals where that is a particular problem, what advice will the Government give them?

Anne Milton: It will bring the focus closer to home. I would expect the shadow Minister to welcome this change, because GPs will now be much more acutely aware that registration with them should not automatically entitle people to NHS acute trust care. We are undertaking a review that I will mention in my concluding remarks. It is early days in respect of the UK Border Agency and the change in the immigration rules, so we do not have sufficient information adequately to evaluate how effective they are, but I think that we will see a significant impact. The shadow Minister asked specifically about the Olympics.

Jim Shannon: The Minister said that £14 million in debts was written off by the Government. Do the Government contact the countries that people have come from to try to recover some of those debts, or is it too costly administratively to do that? Is it cheaper to write off debts than to chase them up?

Anne Milton: That is true of all debts. Trusts are not always aware of the rules and the obligations placed on them. Sometimes, they do not have the infrastructure in place to chase such debts and sometimes the costs of chasing debts are greater than the debts themselves, so they write them off. Either way, it is clearly not fair on the taxpayer. West Middlesex is an exemplar. We in the NHS are not good at sharing best practice. The practice at West Middlesex should be spread more widely.

Back in 2005, when the Labour Government were in power, as part of the UK’s successful bid for the 2012 Olympics they committed to provide games family members with free medical care. The games family is a tightly defined group of people—athletes and their support teams, officials, accredited media and IOC members—who are directly involved in taking part in or supporting the games. We have introduced a specific exemption for those people in respect of hospital treatment that might otherwise be chargeable, which will last for only nine weeks around the time of the Games and will be limited to treatment, the need for which arises here, so pre-planned or routine ongoing treatment that can wait will not be free. Normal charging rules will apply to all other visitors, including those coming to see the games.

The NHS has been briefed to be particularly vigilant in screening visitors who seek treatment and in applying the charging rules, given the large influx of visitors to the country. Let me reassure the residents of Hackney—the shadow Minister rightly said that Homerton is one of the designated hospitals—that treatment will be given on the basis of need. Local people should not suffer at all as a result of these rules which, as the shadow Minister will be aware, were an important part of the previous Government’s bid.

My hon. Friend has mentioned some of the details of our review. It is important that there should be qualifying criteria, a full range of other criteria exempting services or visitors from charges, and criteria for charging for services outside hospital, as we move towards more care being delivered outside hospitals. We need to be mindful of costs that could be incurred, thereby ensuring that we have more efficient and effective processes throughout the NHS, including the ability to screen eligibility. Let me reassure the hon. Member for Strangford (Jim Shannon) that it is important that we work closely with the devolved Administrations, and have close discussions with them, to ensure that there are not unforeseen and unintended consequences.

Once again I thank my hon. Friend the Member for Kingswood for introducing the debate, and I thank hon. Members for the balanced, moderate nature of the discussion. It is important that we set an example—all parties desire to do so—and demonstrate to the public that such difficult issues, which can involve distinct communities, can be discussed and considered in a fair and balanced way and are matters of cross-party concern, with all political parties working together. It is not becoming of any politician to score party political points on an issue of such fundamental importance to the taxpayers of this country.
Incandescent Light Bulbs

12.30 pm

Sheila Gilmore (Edinburgh East) (Lab): It is a pleasure to serve under your chairmanship, Mr Crausby. This debate will not be a complaint about poor light quality, which some people have mentioned in the past, or about the ugliness of some of the light bulbs in question when they appear under a beautiful lampshade. [Interruption.] Some hon. Members are raising their eyes towards the ceiling as I speak. Finally, I do not seek to become part of a crusade by the Daily Express against the European Union, as happened when I tabled an early-day motion on this subject.

This debate is about a serious issue for people, perhaps relatively small in number, who could not sit in this Chamber, as I and other hon. Members are doing, underneath these lights. Those people could not stay in this Chamber to take part in this discussion, even if they were able to, because of the effect that these light bulbs would have on them.

My interest in this matter was stimulated by a constituent, Catherine Hessett, who contacted me shortly after my election in 2010. She is the co-ordinator of Spectrum Alliance, a group that campaigns on behalf of individuals who have suffered negative effects from low-energy lighting. Those people have suffered ever since the roll-out of low-energy lighting, and they need to use what are considered to be the old-fashioned, high-energy, incandescent bulbs in their homes. At the moment, they can do that because they are still able to source those bulbs, but that is coming under serious threat from the regulations that are set to remove incandescent light bulbs from the market by September this year.

Until my constituent contacted me I was unaware of such concerns, and I imagine that that is widely true elsewhere. After some investigation, however, I concluded that the views of the Spectrum Alliance needed to be raised in Parliament, and that the Government need to do something to prevent people such as my constituent from being forced to live in the dark for the rest of their lives.

I will go on to talk about the legislation, but first I will give a little more detail about the impact of this problem on certain individuals. The Spectrum Alliance has evidence to suggest that low-energy lighting—for example, compact fluorescent lamps such as those above us—aggravate a range of pre-existing medical conditions that include lupus, migraines, autism and ME.

The first example I will cite is that of a woman who suffers from lupus, a systemic auto-immune disease in which the immune system attacks the body’s cells and tissues. She develops a visible burning skin reaction, sore red eyes and a headache within minutes of exposure to fluorescent lights. In the past, doctors have suggested the use of bulbs that screen out ultraviolet light, but that makes no difference. Other lupus sufferers have reported similar experiences. It is important to stress, however, that although some individuals do not have recognised pre-existing conditions such as lupus, they nevertheless find that these bulbs impact on their health.

My second example is of a lady who has no pre-existing medical condition. She worked for an employer for several years, was happy in her job and had good prospects. However, when her employer moved into a newly-built office, she developed disabling headaches from the first day as a result of the low-energy lighting in the workplace. She had to take time of work because of the problem, and is likely to lose her job.

James Wharton (Stockton South) (Con): I congratulate the hon. Lady on securing this important debate. To add some context, I should say that a close relative of mine suffers, although not as seriously as the people in the cases mentioned by the hon. Lady, from migraines brought on by a pre-existing condition that is worsened by long-term exposure to this sort of bulb. Although there are extreme examples, there is also a whole spectrum of ways in which these bulbs can have a negative impact on the lives of our constituents.

Sheila Gilmore: I thank the hon. Gentleman for his helpful intervention. In the two examples that I mentioned, the reaction to exposure to the bulbs was extreme and rapid. Many people suffer in a lesser way, but it is nevertheless an issue for them and something that we could, and should, avoid. However committed we may be to our energy obligations—and we should be—it is important not to ignore the adverse effects on some of our population.

The scale of the problem is not insignificant. In answer to a written parliamentary question on 1 February 2011, the Under-Secretary of State for Health (Anne Milton) referred to figures that estimated that 250,000 people in the EU are at risk from increased levels of ultraviolet radiation or blue light generated by compact fluorescent lamps.

Joan Walley (Stoke-on-Trent North) (Lab): I am grateful to my hon. Friend for securing this debate. Does she agree that the Departments for Environment, Food and Rural Affairs, for Business, Innovation and Skills, and for Energy and Climate Change should work in a cross-departmental way to see what further research could be done in the European Union to look at the long-term effects of new technologies on people who have a pre-existing condition? We must start looking at what long-term changes might be needed, while also having regard to those who are suffering now, and we must see whether there is a way of obtaining a dispensation so that such people are not exposed to those causes of ill health, as appears to be the case at the moment.

Sheila Gilmore: As chair of the all-party lighting group, my hon. Friend has extensive knowledge of that subject and the issues that should be raised. Although long-term research is always helpful, we must also focus on the impact on individuals. As the Health Minister indicated, the figures she gave could equate to 30,000 or 40,000 people in the UK being affected by this problem. Those, however, are people who are known to have a pre-existing condition, and the Spectrum Alliance estimates that the true number of people affected in the UK—with, as has been said, varying levels of impact—could be as many as 2 million, many of whom are already suffering from conditions such as migraines or autism.

The science behind this issue may not yet be entirely resolved, and although the light bulbs in question have a clear impact on people, we must do some research into the matter. Low-energy lighting operates differently from incandescent bulbs in terms of levels of ultraviolet
radiation, electric fields, flicker and peaks in light wavelength, especially with blue light. As yet, research has not been sufficiently in-depth to enable us to say which features of fluorescent bulbs have an effect on health, because they differ from incandescent bulbs in multiple ways. We do know, however, that people’s health is not affected in the same way when they use incandescent bulbs.

Let me be clear: I do not seek to discourage the use of low-energy light bulbs and lighting where that is useful and helpful. I acknowledge that climate change is one of the most significant challenges that we face as a country and I welcome the positive contribution that lighting can make in reducing our energy consumption. However, I do not believe that it would be right to implement the ban on incandescent light bulbs so dogmatically that people suffered. That is the crux of what I am saying.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I am grateful to my hon. Friend for securing the debate. I am sure that many hon. Members agree with the point that she is making. This is not about being against low-energy light bulbs as a generality, but about recognising that some individuals have a particular problem with that lighting. There is a danger in just dismissing their concerns, which need to be taken seriously. That is all we are asking for, and I hope that the Minister will respond positively at the end of the debate.

Sheila Gilmore: I thank my hon. Friend for his intervention; that is indeed the outcome for which I am hoping.

The key legislation in this area started with the ecodesign of energy-using products directive in 2005. That was updated and recast four years later by the ecodesign directive of 2009. Those directives set down rules on the environmental performance of products that used energy, such as light bulbs, and those that related to energy use, such as windows. They set the framework for further implementing measures, and the relevant Commission regulation of 2009 set out a timetable for the phasing out of the manufacture and import of incandescent bulbs. The position is that 100 W bulbs were banned in 2009, 75 W bulbs in 2010 and 60 W bulbs in 2011. The remaining 40 W and 25 W bulbs will be banned as of 1 September 2012. That regulation was not voted on by the European Parliament—it went through without debate—and it is directly applicable. That is why there is no transposing legislation at our level.

Concerns about health impacts have been acknowledged at EU level, although that has not yet been reflected in better policy. In 2008, the European Commission scientific committee on emerging and newly identified health risks—commonly referred to as SCENIHR—produced a report that concluded that although single-envelope CFLs could induce skin problems among some people, that might be alleviated by the use of double-envelope CFLs. However, Spectrum Alliance is clear that its members have tried those double-envelope bulbs and that, although they are an improvement for some people, they still induce similar symptoms in most of those affected.

The concerns were acknowledged when the European Commission asked SCENIHR to produce an updated report in March 2012. That was published in draft form in July 2011 and in full in March this year. It, too, referred to the possible health impacts of low-energy lighting, but SCENIHR itself does not carry out first-hand research; it simply reports on research that has been carried out. It concluded that because of the considerable variability of the components for lighting technologies, no general advice could be given to individuals about how they could avoid those health impacts.

It is possible that some people will be able to find means of lighting other than incandescent bulbs. It has been suggested that they could try light-emitting diodes—LEDs—or the double-envelope CFLs, but again the Spectrum Alliance campaigners are clear that neither of those technologies has yet succeeded in overcoming the problems that people are suffering.

My hon. Friend the Member for Stoke-on-Trent North (Joan Walley) chaired a meeting of the all-party lighting group last October. Present were representatives from Spectrum Alliance, the lighting industry and the relevant Departments: BIS, DEFRA and the Department of Health. We discussed a number of options. It was made clear that the Government would not wish to defy the regulation, that they did not simply not implement things that they did not agree with and that they could be fined under the infraction proceedings if they sought to do so.

We then discussed the possibility of an exemption for people with medical needs. There is a precedent: rough-service lamps are already exempt under the regulation. Rough-service lamps are incandescent bulbs that are used for industrial purposes where a low-energy alternative would not work properly. There is, therefore, a precedent for having an exemption for industry. We argue that an exemption should also be made for people with specific health needs.

Earlier this year, my hon. Friend and I met Lord Taylor of Holbeach, the Minister with responsibility for this area. On hearing the arguments, he expressed some concern that people might seek to take advantage of any exemption, but I would have thought that it was possible to configure a system to prevent, or at least to minimise, that risk. For example, incandescent bulbs could be dispensed by prescription at pharmacies.

The Minister also expressed the strong hope that emerging technologies would resolve the problem for us. That may be the case in the future. There may be—I sincerely hope that there is—a lighting technology around the corner that will resolve the problem. It would meet the low-energy requirements but without the health effects that I have described, but at the moment it does not exist. That is a serious practical problem.

Lord Taylor also indicated that he would be keen for further research to be carried out, and I certainly would not in any way say that there should not be further research. However, although I support further research, I want to suggest that both the Government and the European Commission are coming at this issue from the wrong direction. It makes sense to resolve any uncertainty about the safety of products before we force people to use them—rather than afterwards, when the alternatives have been withdrawn. In this case, consumers are being expected to prove that certain products are
unsafe, rather than the Commission and the Government having ensured that they were safe in the first place.

I ask the Minister this central question: if nothing is done, what are my constituent and many more like her to do? Are the Government comfortable with forcing people to live in the dark for the foreseeable future? I am sure that the Minister finds that situation no more acceptable than I do. I understand that limited options are available, but I ask him to do whatever he can to allow people who suffer negative health impacts from low-energy bulbs to continue to purchase incandescent bulbs when the ban comes into full effect in September.

12.46 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I congratulate the hon. Member for Edinburgh East (Sheila Gilmore) on securing the debate and on representing her constituents—indeed, all our constituents—who are suffering in the way that she describes. There can be an extensive discussion about the extent to which the problem exists, but I think that we all recognise that it is a problem and that she was right to bring it to the House today.

It is important to place on the record the context in which the current changes are being made. Then I shall talk about the health issues that the hon. Lady raised so forcefully. The Government recognise, as I think the hon. Lady does and as the hon. Member for Stoke-on-Trent North (Joan Walley) certainly does in her role as Chair of the Environmental Audit Committee, that climate change is one of the gravest challenges that we face and that urgent action is required to tackle it. Failure to transform how we produce and consume in the UK will expose the economy to many risks—from the damage wreaked by the effects of climate change to constraints on future growth from unsustainable depletion of our natural capital. The Government have set out clearly how they want to be the “greenest Government ever” and that that must be based on action, not words. Ensuring the sustainability of products is one way in which we can act now.

The amount of energy consumed by household electrical goods is staggering. Products targeted by the European eco-design and energy labelling directives account for an astonishing 50% of the European Union’s energy consumption. We need to promote the most efficient products to consumers, which in turn rewards the businesses developing and selling them. Energy labels are an effective way of doing that. The EU’s A to G energy labels enable manufacturers to compete against one another on the environmental performance of their products.

There are, none the less, occasions on which policies such as labelling and consumer awareness fail to produce the necessary switch to more sustainable products. In those cases, choice editing by removing the least efficient products from the market remains one of the most cost-effective ways of reducing energy consumption, while at the same time benefiting consumers and businesses by reducing their energy bills. As a member of the European single market, the UK cannot by itself introduce mandatory minimum energy performance standards for appliances because it would inhibit free trade. The EU eco-design for energy related products framework directive is a single market directive under article 95 of the EU treaty and provides the legal framework within which implementing measures set standards for the environmental performance of products or product groups. Those measures can take the form of regulations or voluntary initiatives.

To date, 12 regulations have been agreed under the eco-design directive and two voluntary initiatives are close to agreement. The regulations are expected to save the UK almost 7 million tonnes of CO₂ a year by 2020. They are expected to generate just over £850 million a year in net benefits for British consumers and businesses through reduced energy bills. I recognise that the hon. Member for Edinburgh East is keen for me to move on to the health issues, but it is important to put these points on record. Lighting is a major contributor to global energy consumption. The International Energy Agency estimates that electricity consumption for lighting represents almost 19% of global electricity use and is responsible for approximately 8% of world greenhouse gas emissions.

The regulation of 2009 became directly applicable in all EU member states after agreement by the European Parliament and Council in spring of that year. It sets minimum standards for non-directional household lamps—in other words, bulbs that provide a spread of light, such as those under which we are sitting, as opposed to, say, spot lamps. Incandescent light bulbs waste 95% of their energy as heat. They are therefore too inefficient to meet the standards, so are being phased out in the EU. Other countries phasing out or planning to phase out incandescent light bulbs include Australia, Brazil, China, Japan, Russia, South Korea and the United States. The regulation is predicted to save 39 TWh across the EU annually by 2020. Within the UK, it will mean net savings each year of 0.65 MtCO₂e and 0.3 TWh by 2020. The average annual net benefit to the UK between 2010 and 2020 is predicted to be £108 million.

CFLs use 20% to 25% of the energy an incandescent light bulb uses. Halogen light bulbs offer anything between 20% to 45% energy savings on incandescent bulbs. The Government are working to encourage the development and use of ultra-efficient lighting, which could produce even greater savings. For example, DEFRA and the Technology Strategy Board ran a successful £1.2 million challenge to develop LED lighting to replace conventional incandescent lamps. The initiative successfully supported two small and medium-sized enterprises—Juice Technology and Zeta Controls—to prototype stage. That is an excellent example of how minimum standards are driving innovation and transforming the market.

Problems, such as slow warm-up times and poor quality light, were reported with some early CFLs. However, the industry has responded well to the challenge to produce new quality products. Regulation 244/2009 assisted by putting in place minimum standards for the performance of CFLs, which protects consumers from substandard products and the manufacturers of quality products from unfair competition. The hon. Lady mentioned flickering, which did cause problems in older light bulbs, and it was believed that that contributed to considerable difficulties for migraine sufferers, but it has been improved, although not to the satisfaction of...
Richard Benyon: All. I will come on to those issues now, but both the performance and the choice of CFLs has improved a great deal.

Although energy efficient lighting produces significant environmental and financial benefits, we need to ensure that lighting solutions remain available for people with light-sensitive health conditions. CFLs can generate higher levels of UV and blue light than incandescent lamps. Those levels are much lower than a typical summer’s day, but present a potentially greater risk to a number of people with light-sensitive skin disorders. The European Commission’s scientific committee on emerging and newly identified health risks—I, like the hon. Lady, will call it SCENIHR—estimates that up to 30,000 people in the UK are potentially at risk, but I accept that the figure is disputed and could be higher.

DEFRA and the Department of Health have been closely engaged with patients’ support groups and charities, the lighting industry and the Health Protection Agency. In fact, as the lead DEFRA Minister, Lord Taylor of Holbeach, with whom the hon. Lady met, will shortly meet one such group—Spectrum, to which she referred—and I hope that the meeting will include the constituent she mentioned. The Department of Health and Health Protection Agency have fed evidence into SCENIHR’s opinion on the health effects of artificial lighting, published in 2008, and its updated opinion, published in March this year. SCENIHR concluded that the use of double-envelope CFLs, which look like a traditional light lamp, can mitigate the risk of aggravating the symptoms of light-sensitive individuals. The hon. Lady has reported that there is some scepticism on that, and we have more work to do.

Anecdotal evidence suggests that halogens might be an adequate alternative in some cases. Most LEDs for general lighting emit little or no UV radiation. They therefore potentially offer an even better alternative. Nevertheless, the updated opinion recommended further research on the relationship between artificial lighting and various health conditions.

Sheila Gilmore: Will the Minister clarify whether, while waiting for all the research to come to fruition, he is prepared to support an exemption that would enable people to get the lamps?

Richard Benyon: We are lobbying the Commission to bring the research forward before 2014. That is a key point that we want to get across. I will discuss the matter with my colleague, Lord Taylor, and he in turn will talk to Health Ministers to see if there is any wriggle room that will allow some form of exemption, such as the one that the hon. Lady described. I liked her suggestion about the possibility of using pharmacies. We are open-minded. What we do must be legal and recognise that there is a problem that we want to resolve.

The regulation includes a requirement for it to be reviewed before 2014, but we think that that should be done sooner. We will work with our European partners to ensure that the review takes full account of the best available scientific evidence on the health effects of artificial light. We are therefore pressing the Commission to ensure that the research is completed much earlier in order to feed into the review.

Energy efficient lighting, with other energy efficient products, can produce significant energy savings.

Joan Walley: I am listening hard to the Minister. Can he give my hon. Friend an indication of the time scale? Will he report back to her on the discussions that he intends to have with Lord Taylor about the health issues and what he referred to as the “wriggle room” within what is legal?

Richard Benyon: I will talk to Lord Taylor, as I agreed, subsequent to the debate. If the hon. Lady will allow me to say so, it will be for him to contact her and the hon. Member for Edinburgh East to see how we can take things forward. I recognise the genuine concerns that have been brought to the attention of the House through the early-day motion and today’s debate. I assure the hon. Member for Edinburgh East that the Government take these matters seriously and we will seek to resolve the concerns of her constituent and our constituents who are affected.
Fracking

12.59 pm

David Morris (Morecambe and Lunesdale) (Con): I am delighted to have secured this debate on fracking—or, to give it its proper title, hydraulic fracturing. I hope that by the end of the debate we shall have laid some myths to rest, and that the House will be satisfied that the opportunity that fracking presents is being explored in a responsible manner.

I would not describe myself as either pro-fracking or anti-fracking; I support the exploration of any new energy source as long as it is safe. We need a mix of different energy sources, so that we are never reliant on one in particular. I think that we all agree with that. I understand that the Minister would usually respond to the debate, my hon. Friend the Member for Wealden (Charles Hendry), is unable to be here and I thank his colleague, my hon. Friend the Member for Bexhill and Battle (Gregory Barker), for stepping in. Both my hon. Friend the Member for Wealden and his Parliamentary Private Secretary, my hon. Friend the Member for Fylde (Mark Menzies), have done a huge amount to help explore the important technology in question, while dealing with the safeguarding of our constituents and calls for tighter regulation. The House owes them a debt of gratitude for their tireless work.

I suppose I should explain my interest in this subject. The Bowland basin is not in my constituency, but many of the people who would work in the industry are. Furthermore, Morecambe and Lunesdale is one of the biggest energy producers in the UK. Heysham 1 and 2 produce 4.5% of the national grid’s capability; Centrica’s liquefied natural gas support station brings gas in from across the world to the UK; a number of offshore drilling operations exist in Morecambe bay; and, most controversially, wind farms, if they cannot be built in the lakes, are threatened in our area.

Engineering and energy production are major exports for my constituency and the whole of north Lancashire, so we are positive about any opportunities, especially given that 5,600 jobs could be created nationally—and, potentially, 1,700 in the wider Morecambe and Lunesdale area. Obviously, when local people are trained to do that sort of work they will have opportunities to go abroad, as happened in Aberdeen after the North sea oilfield opened—something that became known as the Aberdeen effect.

Fracking is not a new technique; it has taken place in the UK for decades. What is new is that the established technology is being used to extract shale gas, which has revolutionised gas production in north America. In the past, the USA and Canada had a shortage of gas, but today their industry is booming. The rise in shale gas production is striking, going from 28 billion cubic metres in 2006 to 140 billion cubic metres in 2010. Gas reserves are now at their highest since 1971—an amazing thought, given the dire predictions for their supplies a few years ago. I think we would all like the UK to benefit from that kind of gas supply.

The industry is keen to point out that we are unsure how much shale gas we have in the UK, but one estimate by Cuadrilla suggests that the Bowland site alone could have 5.6 trillion cubic metres. Obviously, not all that gas can be extracted, but that estimate would make the field comparable in size to the second most productive field in America—the Barnett shale in Texas.

In 2010, the Department for Energy and Climate Change predicted that gas prices would rise by 21% by 2030. Suddenly, by taking into account more and more shale gas, they revised that estimate down to 11%, so shale gas may well halve the rise in gas bills over the next 20 years—a welcome thought to those struggling to pay energy bills.

Guy Opperman (Hexham) (Con): I congratulate my hon. Friend on securing this debate on an important issue. I am a supporter of the economic and environmental benefits of shale gas. Does my hon. Friend agree that the data show that it has cut carbon emissions in a way that wind, solar and biomass have singularly failed to do?

David Morris: Yes, I agree, and we should be striving towards a lower-carbon economy. Shale gas would contribute to that. It is better for the environment than other energy sources—that has already been acknowledged—and it now helps to meet Government targets for low emissions, as my hon. Friend has just said. Research by Policy Exchange states that if China were to switch from coal to shale gas that would cut its emissions by five times the UK’s total carbon output, so there is a big prize. If we get things right and sort out the concerns, we can have a good and healthy market in the UK.

At the end of the process, we will need to know that we made the best use of our technology and natural resources, but in an environment that protects the public, so I want to ask the Minister to clarify some points. What steps are being taken to ensure that waste water does not contaminate the environment? How will we prevent fugitive emissions? What steps are being taken to reduce seismic activity? What rights will landowners and local communities have to benefit from mineral rights? Overall, what steps are the Government taking to ensure that our regulatory environment is fit for purpose?

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I congratulate my hon. Friend, and neighbour, on securing the debate. On the issues he listed, does he agree that what is not understood by the powers that be is that the water source for residents in my area—particularly in Bleasdale—is their own bore holes? Residents are extremely worried about a process that involves the water table, which fracking seems to hit. My hon. Friend talked about mineral rights; again, it is not understood that in most parts of my constituency the mineral rights do not belong to the landowners, but to the Duchy of Lancaster, even if the land is sold on. There is little direct benefit to the farmers who own the land on which the fracking will potentially take place.

David Morris: I thank my hon. Friend, whose constituency is next to mine, for the work that he has done locally on the issue. There are issues to be addressed in the contexts that he mentioned. Like him, I am worried about contamination of water supply in the area. I want to touch later on the possibilities of mineral rights for landowners.
Guy Opperman: I am sure that my hon. Friend is coming on to this point. I endorse the comments of my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw). Just as mineral rights and the benefits from wind power are felt not by the wider community but by an individual farmer or energy company, so it is with fracking. I suggest that if mineral rights were to benefit the whole community, rather than an isolated individual, fracking would be a great deal more popular and bring much more benefit to the community.

David Morris: Hear, hear! I agree with everything that my hon. Friend said.

We have all seen things go wrong in certain parts of America, but we must also bear in mind that last year the Americans drilled 45,000 wells, with very few problems. They are also operating much older wells that exist in a less strict regulatory environment than here in the UK. That must be understood. I hope that we can benefit from their success and, most importantly, learn from their mistakes.

Today we stand at the beginning of a revolution in UK gas production. We have a community with the expertise. Lancaster university, the nuclear power industry and small and medium-sized enterprises are already geared up to exploit that resource and we look forward to falling energy bills as a result. I hope that the Minister can clarify my concerns. Most of all, will he assure me that DECC is doing everything it can to push this project forward in a safe and responsible way? That is the road to a safe, profitable and cheap supply of energy for the 21st century.

1.8 pm

The Minister of State, Department of Energy and Climate Change (Gregory Barker): I congratulate my hon. Friend on securing the debate and giving the issue such rigorous, thoughtful and well researched attention, as it deserves.

The role of unconventional gas and hydraulic fracturing, or fracking, is indeed topical. I have just come back from the United States, and no one there who takes the slightest interest in the energy or climate change agenda can fail to be moved by the huge impact that it is having on the economics and politics of energy—the huge potential benefits to the US economy, the challenges presented to other parts of the energy sector, and the potential benefits to the US economy, the challenges.

As it is that we meet our climate change targets, it is also a matter of common sense that we continue as an energy market and allowed the US significantly to increase its indigenous production and benefit from lower gas prices, which have not proportionately flowed through into lower electricity prices to consumers. None the less, there are benefits feeding right through to the manufacturing base, which obviously raises the question of what impact shale gas would have on the UK and its energy supplies. I hope to shed some light on that pertinent matter during this debate.

Guy Opperman: Is it not that the right way for us to be going ahead as well?

Gregory Barker: Absolutely. I could not agree more, and I will elaborate on those points during the course of my speech and endeavour to answer the questions that have been raised.

There are not only huge opportunities here for us, but some big challenges. We need to be rigorous and thoughtful in addressing this issue, not least because of the significant impact that the exploration and development of shale gas is having on the US, and stands to have in the UK, Europe and Asia.

The resource has, as I have said, revolutionised the energy market and allowed the US significantly to increase its indigenous production and benefit from lower gas prices, which have not proportionately flowed through into lower electricity prices to consumers. None the less, there are benefits feeding right through to the manufacturing base, which obviously raises the question of what impact shale gas would have on the UK and its energy supplies. I hope to shed some light on that pertinent matter during this debate.

As my hon. Friend the Member for Morecambe and Lunesdale will be aware, the Government are considering the implications of the seismic tremors that occurred last year in the Blackpool area, adjacent to his constituency. The Royal Society and the Royal Academy of Engineering are currently conducting a study into the potential risks of shale gas extraction. For the UK, therefore, the subject is very much in the public eye, and the debate here is timely.

Let me be clear about the Government’s position. This weekend, press stories suggested that there has been a sudden reversal in the Government’s position on shale gas, but I am afraid that that is not the case. The Government’s position has remained cautious but balanced throughout. If there is a change, it is only in media perceptions.

There has been some rather breathless speculation that shale gas in the UK could be the “game changer” that it genuinely is in the US. What has happened in the US has been dramatic. Shale gas production has grown from a very small base in the 1990s to supply about a fifth of US demand today, and it is set to increase still further. However, there have been problems, such as the reported pollution of drinking water, and there are concerns about the fracking process on which shale gas production depends.

Our position on UK unconventional hydrocarbon resources is a balanced one, and matches that which we take towards conventional oil and gas exploration and development. We support the tapping of these resources where it is technically and economically viable. As imperative as it is that we meet our climate change targets, it is also a matter of common sense that we continue as an economy and nation to be dependent on fossil fuels for many years to come. Wherever there is an opportunity to harvest or extract those fossil fuels in the UK or in our territorial waters, of course we should do so, provided that it can be carried out with full regard to the protection of the environment.

Eric Ollerenshaw: May I raise another problem on top of the two that I raised with my hon. Friend the Member for Morecambe and Lunesdale (David Morris)? The north part of Lancashire, which is in the constituency of my hon. Friend the Member for Fylde (Mark Menzies),...
faces shale gas exploration, and across the river Wyre from Fylde, there is a proposal to excavate salt mines to store imported liquefied gas. We also have a proposal for new wind farms to be sited off the Isle of Man, and the National Grid is proposing to bring in the power down the river Wyre—between fracking on one side and the storage of gas on the other. At the top end of my constituency, near the seat of my hon. Friend the Member for Morecambe and Lunesdale, there is a proposal for another nuclear power station. Added to that, National Grid wants to bring power from existing wind farms off Cumbria through even bigger pylons that will be sited in the middle of my constituency, adjacent to the M6 motorway. Although people in Lancashire recognise the nation’s need, they wonder who will secure a balance in relation to what they will get out of it. Will Lancashire be left covered with pylons, transmission towers, and wind farms on the hills and out at sea? After the extraction underground of everything in the region, will Lancashire even exist in 25 years?

**Gregory Barker:** But apart from that—I [Laughter.] No, my hon. Friend makes a serious point and I understand his concerns. No one could suggest that Lancashire is not taking more than its fair share of the burden of the energy economy. However, there are many opportunities to be gained. Each of the points that he raises bears serious consideration. Let me assure him that my Department not only looks at these things individually, on their own merits and in their own right, but takes into account the wider picture that is created by these individual interventions.

**Guy Opperman:** I welcome the point about the wider picture. In Northumberland, which is no less deserving than Lancashire, there are applications for two open-cast mines. Given that those open-cast mines will exist for years and will produce barely eight to 10 days’ worth of coal for particular power stations, and that fracking has the potential to produce about 150 billion cubic metres of gas, one has to add up the relative benefits. The people of Northumberland, and of the wider country, want an energy strategy that takes into account these points. On that issue, I endorse entirely what was said by my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw).

**Gregory Barker:** My hon. Friend’s eloquent intervention is on the record, and I certainly take on board his points. I now want to crack on because I want to reply in some detail to the serious points that my hon. Friend the Member for Morecambe and Lunesdale raised in his opening speech.

**Sir Gerald Kaufman (Manchester, Gorton) (Lab):** I very much welcome the cautious way in which the Minister is explaining this issue to the Chamber. It is important that we balance the apparent short-term gain against the serious danger of long-term detriment, which will be impossible to reverse once the process is under way.

**Gregory Barker:** There are good reasons to think that, whatever the resource may be, shale gas will not develop as dramatically here as it has in the US. Britain is a much more densely populated country, and shale gas is still in its very early days here. Just one well in the UK has been drilled and fracked, so the production prospects are simply unknown at this stage. Whatever they may be, the Government will continue to seek full economic recovery of UK hydrocarbon resources—both conventional and unconventional—when that can be done safely and with environmental integrity.

**Joan Walley (Stoke-on-Trent North) (Lab):** Will the Minister give way?

**Gregory Barker:** I will give way, and then I really want to crack on.

**Joan Walley:** I am very grateful to the Minister for giving way; I know that time is of the essence. Regarding the environmental integrity that he has just mentioned, can he tell us what cross-cutting work he is doing, first with the Department for Environment, Food and Rural Affairs in respect of the concerns that exist about the possibility of groundwater contamination, and secondly with the Department of Health in respect of the health concerns that exist about the potential risk of air pollution?

**Gregory Barker:** I will come to the points about groundwater pollution later in my remarks—if I am able to get to them. In respect of the work with the Department of Health and DEFRA, I fear that I will have to write to the hon. Lady to let her know about that work in more detail.

I turn now to the role of gas and carbon capture and storage in UK energy supply, because changes in the UK energy sector during the next 10 to 20 years will create new sources of gas demand. We will need gas to retain sufficient electricity generation capacity margins in the face of coal-nuclear closures, to manage intermittency from increased use of renewables, and to continue to meet the majority of our heating needs. Equally, we are taking steps to address the possible use of fossil fuels in the low-carbon energy economy of the future.

In the long term, there will be a fundamental shift in the role of gas in electricity supply. By 2050, a major role for gas as a base load source of electricity will only be realistic with large numbers of gas CCS plants. One of our key policy objectives is to enable cost-competitive deployment of CCS by the early 2020s. Last week, we announced the names of the companies who have indicated their interest in the new UK CCS competition, which is a flagship policy for this Government. I am very encouraged by the high level of interest that those companies have demonstrated. It shows that we are on track with CCS, a key technology that is enabling us to make use of fossil fuels while protecting, enhancing and driving forward our climate change objectives.

I now turn to shale gas specifically. It has been said that it is still very early days for shale gas in the UK. However, I am told that the pattern of development of a new shale gas basin in the US has shown roughly three phases: first, initial discovery and the use of appraisal wells to prove the presence of the gas and the size of the resource; secondly, an experimental phase in which the explorers work out the best techniques to obtain production from the particular type of shale; and thirdly, the production phase, in which an efficient pattern of production wells can be drilled to extract the gas on a commercial basis.
Clearly we are right at the beginning of this whole process; only a handful of wells have been drilled and their production potential has yet to be quantified. However, it is encouraging that Cuadrilla believes that there are good quantities of shale gas in the rocks underlying its licence area in Lancashire. Nevertheless, it is still too early to say whether those resources can be extracted economically and safely.

The answer to the question, “What contribution might shale gas make to UK energy supplies?”, is even more uncertain. I will not speculate on that issue today. However, if shale gas can be safely and economically exploited here, the Government would obviously welcome any positive contribution it would make to energy supplies, jobs and the economy.

I will now address the specific questions put by my hon. Friend the Member for Morecambe and Lunesdale. First, what steps are being taken to ensure that waste water does not contaminate the environment? That question was echoed by my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw). Secondly, how do we prevent fugitive emissions, which is a big problem in the US? Thirdly, what steps are being taken to reduce any seismic activity? Fourthly, there is the overall question of what steps the Government are taking to ensure that our regulatory environment is indeed fit for purpose?

In response to the first question, which was about waste water, I must say that my hon. Friend the Member for Morecambe and Lunesdale made a very important point, which was echoed by my hon. Friend the Member for Lancaster and Fleetwood. It is essential that any waste water or flow-back fluids that come from fracking operations are handled carefully and treated properly. Disposal of waste water falls within the regulatory responsibilities of the Environment Agency, which has a range of regulatory powers to ensure that such operations are carried out without causing harm to the environment. The agency will consider all proposed operations and will only permit them if it is satisfied that the intended disposal route will not harm the environment. The waste water could either go to a waste treatment plant that is already permitted, or specific disposal arrangements would need to be agreed with the agency. With regard to Cuadrilla’s current operation, the return fluids are currently being retained on-site by the company and stored in double-skinned tanks. A permit for correct disposal of them is required, and Cuadrilla is in discussions with the Environment Agency.

Secondly, how do we prevent fugitive emissions? That is a very important issue; indeed, I was also asked about the control of fugitive emissions. Most aspects of shale gas operations—for example, the construction of the well, the well-head equipment and any pipeline—use exactly the same technology as conventional gas production. Provided that that technology is competently constructed, there is no reason to think that unintended emissions from shale gas will be different from conventional gas emissions or will pose new problems. At present, methane emissions from gas production are estimated to comprise less than 1% of our total greenhouse gas emissions, so fugitive emissions from current gas production activities are not a major contributor to greenhouse gas emissions.

At the exploration stage, however, it is normally necessary to dispose of any produced gas by venting or flaring, as there will not be any export facilities in place. Nevertheless, my Department imposes controls to ensure that venting—the release of methane—is minimised, so far as it is technically possible, and to ensure that any gas that is released is flared, which reduces the greenhouse warming potential of the gas by a factor of at least 20.

However, there is one aspect of shale gas production that is different from conventional gas production; with shale gas production, the rock is, of course, fractured by injecting water under pressure. Much of that water flows back and is collected at the surface. That flow-back water will then contain methane, which could add significantly to emissions if it was simply allowed to escape. Having said that, there is technology available—described as green completions—that can capture that methane. If the well is purely for exploration, the gas can be flared; as I have said, that reduces its greenhouse warming potential. In production, the gas will be exported and sold. As we have no proposals for production as yet, it is too soon to say precisely how that aspect of production operations will be controlled, but my Department will continue to control flaring and venting, and the Environment Agency is also considering how its powers might apply if there is production.

What we can safely say at this stage is that both my Department and the Environment Agency will expect all shale gas projects to demonstrate best practice, including green completions, and they will apply suitable controls to the operations in question, with exploration or production to ensure effective control of emissions.

Thirdly, what steps are being taken to reduce any seismic activity? If any future shale gas operations are allowed to commence, it is vital that they do not result in further seismic activity at the level that was experienced near Blackpool last year. That is why detailed analysis has been undertaken to determine the linkage between the seismic activity and the fracking, and to consider the best way to mitigate the risk that such events will occur again.

An expert study was commissioned by my Department, which found a link between the fracking and the seismic tremors near Blackpool, and it recommends a number of measures to mitigate the risks in any future operations. They include micro-seismic monitoring on the site and a traffic light system that would shut down operations if early signals suggest that seismic events are being generated. However, the Government have not yet decided whether to allow fracking to recommence. We will not be finalising a view on that issue until we have considered all the additional comments that have come in as part of the consultation process, which finishes this week.

Finally, what overall steps are the Government taking to ensure that our regulatory environment is fit for purpose? Although we do not have a robust regulatory regime for the onshore industry—[Laughter.] Sorry, we do have a robust regulatory regime for the onshore industry. I apologise: my contact lenses are a bit blurry. However, it is important that we consider how that regime sits for any longer-term development of shale gas. Consequently, we are proactive in relation to the regulatory position.

My Department, the Health and Safety Executive and the environmental agencies work closely together to share relevant information on shale gas activities, to
ensure that there are no material gaps and to ensure that all material concerns are addressed. We consider that the regime and the co-ordination of the work of the regulators are adequate, at least for the current exploratory phase of shale gas activity. However, with a view to ensuring the continued adequacy of the regime if shale gas proves to be commercial and moves into the development phase, the Environment Agency is currently undertaking a detailed environmental assessment of shale gas extraction, so that it has all the information it needs to ensure that regulation is appropriate to protect the environment. Other regulators, including my Department, will contribute to that review. Furthermore, the Royal Academy of Engineering, along with the Royal Society, is currently conducting a review of the risks posed by shale gas extraction. That review is expected to report in the summer.

The Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Wealden (Charles Hendry), or I will be delighted to meet my hon. Friend the Member for Morecambe and Lunesdale to address any further concerns he has that have not been addressed in this debate.

Art Asia (Southampton)

1.29 pm

Mr John Denham (Southampton, Itchen) (Lab): I am grateful for the opportunity to have this debate and I thank the Minister for his offer, yesterday, of a meeting. The problems that I will raise have been going on for more than two years and it is time to put them on the public record, but I hope that the Minister will still be prepared to meet after we have had the debate.

There are serious questions about how Arts Council England, with Southampton city council, has treated the important arts charity, Art Asia. Art Asia was offered a capital grant to develop new facilities, but today it faces the loss of the grant through a murky and underhand process to which it has had no proper chance to respond.

Over the past 30 years, Art Asia has become one of the country’s more significant south Asian arts organisations. Under its director, Vinod Desai, it began with two simple aims. The first was to enable young people, usually the children of first-generation migrants, to learn, perform and appreciate the music and dance of their parents’ and grandparents’ home culture; and the second was to bring high-quality live performances to those older generations.

Art Asia has how moved well beyond achieving those initial aims, and has brought Asian culture to a wider audience, notably through the highly successful Southampton Mela, which attracts tens of thousands of people from all communities each July. The charity has also influenced mainstream arts programming. For example, because Art Asia has been able to establish that there are audiences for Asian culture, the Turner Sims concert hall and the Nuffield theatre now include it in their own mainstream programmes. World-class musicians have been brought to many parts of the UK, including to Southampton and other parts of Hampshire, so Art Asia is a significant organisation regionally and nationally, as well as in Southampton itself.

In 2000, Arts Council England established a £20 million capital programme for black, ethnic minority and Chinese arts organisations, which recognised that such groups had not received their fair share in previous funding rounds. Given Art Asia’s strength, it is not surprising that it applied for and, in 2001, received, a promise of funding of just short of £750,000 from the programme. Clearly, Art Asia would not have received the award unless there was confidence in its leadership, management and financial conduct, and in the quality of its programming.

There are, of course, limits to what can be achieved with £750,000. At the time, Southampton city council was developing, with Arts Council England, plans for a city arts complex. Everyone sensibly recognised that more could be achieved if Art Asia joined as a full partner in the arts complex, and there were also the potential advantages of VAT-liability reduction in a joint, but city-led, project. In 2003, Art Asia agreed to pool its award as part of the funding for the larger project, a deal that would guarantee the organisation its own dedicated facilities and give it a clear, formal role in the management of the centre.

Perhaps Art Asia was a little naive in assuming that Arts Council England and the city council would act in good faith and with integrity, but rather than insisting
on a formal legal agreement it relied on written assurances. The paper that went to the Arts Council England management committee to approve the joint project stated that

“the public benefits from Art Asia’s element of the project are that it will place south Asian arts in the mainstream of Southampton’s cultural life; through high-quality facilities enable Art Asia to attract first-class national and international artists to Southampton; provide a wider range of audiences with performance and participatory work of the highest standards; through larger premises enable Art Asia to offer greater accessibility to participants in its classes; provide audiences with high-quality auditoria of an appropriate size; and offer an increased range of education services”.

Art Asia’s role was, therefore, recognised at the most senior level within Arts Council England, and a cost allocation between the partners was agreed.

Arts Council England’s south east office wrote to Art Asia on 4 January 2007 confirming that an award of £5.7 million to Southampton city council included “the £724,000 awarded to Art Asia in July 2005 in recognition of Art Asia’s decision to be part of Southampton’s New Art Complex”.

The letter continued:

“Art Asia’s involvement in Southampton City Council’s capital development is strategically important to us. We will continue to support your organisation as it prepares for the opening of the new building and an increased regional presence”.

That seems to have been a clear commitment of principle and practice by Arts Council England.

The planning of the major arts centre project went ahead, moving slowly as such things often do, but in early 2010 things began to change. First, in the run-up to the 2010 election, Arts Council England began to raise doubts about the whole arts complex project. A report by Arts Council England officers recommended the withdrawal of the project, citing among other things concerns about the artistic leadership of the arts partners, which included not only Art Asia but the Nuffield theatre and the John Hansard gallery. It was the first time that such concerns had been raised, and they were less than specific.

I intervened with the then Secretary of State to secure a further review of the project. That happened, but it became clear that Arts Council England wanted to exclude Art Asia from its central role in the project. By April 2010, Arts Council England was negotiating with only the city council and excluding the other partner organisations. In June 2010 the city council submitted a new proposal, which replaced Art Asia and the Nuffield theatre with an unspecified “Performing Arts Organisation”, and Arts Council England agreed a grant on that basis in July 2010.

The grant, which had been awarded because of Art Asia’s work as an ethnic minority arts organisation, was absorbed into the Southampton arts complex funding, and Art Asia itself was excluded. In effect, Arts Council England and the city council took the money and made off with it, without taking any measures to secure the public benefit that had been identified by Arts Council England’s management in 2005.

With Art Asia, I have spent two years trying to establish how and why that happened. At no stage has either Arts Council England or the city council given any reasonable justification, reason or excuse to Art Asia. At no point has any organisation raised any clear concerns about Art Asia’s work, management or programming to which it could respond, nor has any reason been given for totally ignoring the whole basis of the original award, which was to support black and minority ethnic arts programming.

In 2010, I wrote three times to Arts Council England requesting an explanation, and also to the then leader of Southampton city council, who replied:

“It was made very clear to us by officers at the Arts Council that some significant changes were required if it were to have any chance of succeeding in securing the funding provisionally allocated to the project”.

His letter referred to

“fundamental concerns about the performing arts offer, including the two organisations identified to provide this: Art Asia and the Nuffield”.

In the end, it has taken freedom of information requests to shed more light on what happened. An internal memo from a senior Southampton council officer, Mike Harris, dated 18 May 2010, records a meeting he had with Arts Council England. In saying that Arts Council England was rethinking its “total investment” in Southampton, the note reports

“grave doubts about Art Asia’s artistic quality and sustainability”, and

“a potential need to free the project from the Nuffield and, possibly Art Asia.”

A note of a conference call on 2 July between Arts Council England—ACE—and city council offices recorded that the

“Arts Council is nervous that some of the arts partners may lobby against the application”—

the city council’s new application—

“as there is no longer a guaranteed place for at least two of them (Nuffield and Art Asia). This would be unfortunate as it would look to the ACE Investment SubCommittee as though Southampton was divided in their desire for the arts complex”.

My reason for referring to those internal memos is that it is crystal clear that the Arts Council was active and instrumental in bringing about a situation in which Art Asia would be excluded from the project and lose its grant funding. However, it must be remembered that none of the criticisms uttered behind closed doors and used to force the city council to exclude Art Asia from the project were ever shared with Art Asia—or was any evidence produced to support them, nor was Art Asia ever given a chance to respond or address them. Nothing in previous public assessments of Art Asia’s work substantiates the criticisms made in private.

In public, the Arts Council was telling a totally different story. I received a typical reply from its south-east executive director in January 2011, in which she mentioned an “unwieldy and unviable business case”, but then went on to say:

“Southampton city council and Art Asia requested that their capital grants be brought together in one single funding agreement that named Southampton city council the client. At this stage, Southampton city council and Art Asia are still in discussion about Art Asia’s role and space in the project”.

Given what I discovered through a freedom of information request, that response is disingenuous in the extreme and does not reflect well on the Arts Council. It is clear that decisions were being taken behind the scenes of which Art Asia was not aware and
to which it could not respond. Significantly, none of the material that I have seen through my FOI request seems to have considered the moral and perhaps legal responsibility to respect the original reasons why the grant was made in the first place. There is no record of any attempt to secure the future of south Asian arts in the city of Southampton and the wider region.

Dr Alan Whitehead (Southampton, Test) (Lab): I fully support my right hon. Friend’s comments about the huge respect in which Art Asia is held throughout Southampton and the whole of south Hampshire. It undertakes extensive artistic endeavours and brings ethnic minority art and cultural activities to the region.

As I understand it, Southampton city council gave a written assurance of the position of Art Asia’s grants, and informal assurances on the usability of its grants should the arts centre project not go ahead. Does my right hon. Friend agree that the record certainly appears to suggest throughout that Art Asia had a grant that was absorbed into the larger arts centre proceedings for technical and operational reasons, and that—morally, at least—Art Asia’s grant should remain protected if Art Asia wishes to use it for purposes other than the arts centre, if it is not to be a part of the arts centre in future?

Mr Denham: My hon. Friend makes a good point. Nothing in the early discussions, when Art Asia and the city council sensibly came together to pool their resources, suggested that Art Asia was putting its grant award at risk, but that is what now seems to have happened.

The Minister is responsible for voluntary organisations—as I have been in the past, as my hon. Friend has been and as you may well have been, Mr Crausby. Anyone who has funded voluntary organisations knows that there are times when frank discussions must be had, and when it must be made clear that changes will be needed in an organisation’s work for funding to continue. But that never happened in this case.

I have appreciated hugely the contribution that Art Asia has made to the life, culture and vibrancy of Southampton and the surrounding region. I am not an expert on south Asian arts; if there were criticisms of Art Asia, it should have been given the chance to respond to them. That would have been a proper process and natural justice, but it simply has not happened. As my hon. Friend said, that leaves Art Asia in a difficult position. It has been excluded from the leading role in the arts complex project that was originally proposed, it is being denied the right to remove its original grant funding from the arts complex project to develop its own facilities and, as I understand it, should the arts complex project not go ahead for any reason, Art Asia’s money will be withdrawn along with any other Arts Council funding.

I am sure that the Minister will agree that that is an unsatisfactory position. I have four points to put to him. First, I hope that he will acknowledge—if not today, then after he has had a chance to consider what I have said—that the issue has not been handled well, and that the Arts Council has not operated with the transparency and openness that a public body distributing taxpayers’ money should have shown.

Secondly, I hope that he will reaffirm his commitment to the original aim of the Arts Council BME and Chinese capital programme, which was to ensure that minority arts organisations get a fair share of public funding. That means ensuring that in one way or another, the original intention of giving the grant to Art Asia is fulfilled, whatever happens in future. Thirdly, will the Minister use his best endeavours to find a way forward that works for all parties, including Art Asia?

Finally—I hesitate to raise this point—I hope that the Minister will give his commitment to ensuring as far as possible that Art Asia is fairly treated in future. I have tried to be as accurate and factual as I can in what I have said, but such organisations are heavily dependent on grant funding. Like many arts organisations, Art Asia has suffered a significant cut in revenue funding, about 60%, although the funding for the Mela is to continue.

At the moment, members of Art Asia are torn between their feeling about the unfairness with which they have been treated and their fear that by raising questions, they will suffer further cuts. One reason why this debate refers to events that happened two years ago, frankly, is that everybody wanted to complete the Arts Council funding round before the issues were raised in a public forum.

I know that the Minister would not want Art Asia to suffer for raising these issues legitimately with its Member of Parliament. I look to him for a public assurance of fair treatment in the future.

1.46 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I am grateful for the opportunity to speak under your chairmanship, Mr Crausby, and to respond to this important debate secured by the right hon. Member for Southampton, Itchen (Mr Denham) on an issue important to his constituency that might have wider implications.

As a colleague in the House, I know only too well how rare an opportunity it is to secure a Westminster Hall debate. I am looking at two colleagues with distinguished careers. The fact that they have taken the time to come to the Chamber to raise the issue speaks volumes about how important it is. To put it in a slightly more vernacular way, I do not think that either the right hon. Gentleman or the hon. Member for Southampton, Test (Dr Whitehead) would use any weapon in his locker on an issue that was frivolous or unimportant. It goes without saying that it should be taken extremely seriously.

It is also nice, as I have some time, to be able to take a brief moment to praise Southampton as a city of the arts and an important cultural city, being the home of the great film maker Ken Russell, the great hymn-writer Isaac Watts and, of course, the songwriter sans pareil, Mr Craig David. I congratulate both hon. Gentlemen on their contribution to Southampton’s return to the premier league. I look forward to seeing Southampton play at the home of the European champions next season, perhaps accompanied by the Chancellor of the Exchequer.

Despite my mildly humorous opening, the serious point is that the Arts Council has made a commitment to the arts in Southampton. That is why we are here today. We would not be here if the Arts Council had not made serious capital commitments to the city. As has
been indicated by the right hon. Gentleman, that capital commitment is now focused exclusively on Southampton’s new arts centre. He went into a great deal of necessary detail about the issue, but to rehearse some of the chronology, the decision was made in June 2005 to grant Southampton’s new arts centre—known, I gather, by its acronym SNAC—some £5 million and give a £750,000 grant to Art Asia. At the time, neither organisation wanted to accept the money and put it in its bank account. There were a number of complicated reasons for that—all related to getting the project off the ground—including changes of developers, difficulty in meeting funding conditions, issues of leadership and artistic vision, and a concern that capital costs were increasing.

It was later agreed by the Arts Council’s management committee that a revised funding agreement of £5.724 million would be awarded to Southampton city council for SNAC, which named Art Asia and other arts organisations in its bid, and that included Art Asia’s award, which by that time was £724,000, not £750,000, because it had already received a capital sum of £26,000. However, things became slightly more complicated and an extraordinary review of the entire project took place under the auspices of the Arts Council between January 2009 and March 2011. I am told that since March 2010, the Arts Council’s south-east office has worked closely with Southampton city council to develop the governance and artistic vision for SNAC. As the right hon. Gentleman has mentioned, the office has also worked with the university of Southampton, because it is responsible for the John Hansard gallery, which is based on its campus. The aim of the review was to ensure a shared understanding of the strategic direction and any other issues before going ahead with the project.

I am pleased to note that a great deal of progress has been made. There has been a change to the operating model and design, and about two years ago, in July 2010, ACE provided another £1.5 million of capital to support SNAC. That means that the total capital investment for the project is about £7.2 million. The current position, as I understand it, is that Southampton city council has reviewed the design of the new arts complex as well as the governance and operating model. I also understand that the Arts Council regularly meets Southampton city council to discuss the project as part of the monitoring of the award of capital. Discussions are taking place on the external context in which the new development is taking place—that is, its place in the local, regional and national arts ecology—as well as on the design of the centre. The Arts Council’s clear goal is to give Southampton a high-quality arts offer and to galvanise its position as a cultural hub in the south-east. That is why Southampton city council has become a national portfolio organisation. It will receive almost £350,000 over the next three years to recruit an arts champion to lead on artistic vision and to work with SNAC.

That is the current position, but I have listened to what the right hon. Gentleman has said and will set out briefly what I am able to do. We fund the arts at arm’s length through the Arts Council, which is what every Government have done since the Arts Council was established. That is the absolutely appropriate way to fund the arts. Since we are debating controversial issues relating to the Arts Council, I should put on record the fact that, certainly during my time as a Minister, overall it has done an excellent job. In Alan Davey, it has a fantastic chief executive who has tackled a difficult artistic position, as well as a concern that the Arts Council funds, with a deft hand. It is testament to his leadership that the Arts Council is now a widely respected institution.

I should also note that the problems that the right hon. Gentleman has brought to our attention began some time before Alan Davey was in post. Indeed, the Arts Council has had to cope with a recent inquiry into the funding of The Public in West Bromwich—given that one of the Members of Parliament there is the hon. Member for West Bromwich East (Mr Watson), it is not a place to make too many errors—and there were some criticisms, but I would not hold that against the current chief executive, who, to a certain extent, has inherited one or two problems that arose before his time.

I agree completely with both the right hon. Gentleman and the hon. Member for Southampton, Test that if there were problems with Art Asia as an organisation, it should have had the chance to respond. Although Art Asia’s funding has been reduced—as has the funding of many arts organisations—it continues to receive regular funding and to be a national portfolio organisation. Alan Davey and his colleagues at the Arts Council handled the process well, and one of the reasons why the process was held in high regard and earned a great deal of respect is that it was rigorous and based on artistic merit. Art Asia would not have survived and would not have continued to receive funding unless it was a well-run and important arts organisation. The fact not only that local MPs have been prepared to back it and give their time to raise the issue in Parliament, but that Art Asia has continued to receive funding from the Arts Council, speaks volumes—without my knowing a huge amount about Art Asia as an organisation—about its status as an important organisation that deserves support.

Turning to the four issues raised by the right hon. Member for Southampton, Itchen at the end of his contribution, first, I would hesitate to go on record at this early stage and agree with him that the issue has not been handled well. It might be worth while to undertake some form of independent review of the process in the future, to decide whether that is the case. Of course, as the right hon. Gentleman acknowledged, that relates to events that have already taken place and what we are concerned with is the here and now.

Secondly, the right hon. Gentleman invited me, almost as an issue of national policy, to commit myself to the aims of the BME and Chinese capital programme. I would not hesitate to agree with him that it is important that the Arts Council focuses on support for BME organisations. That is not an issue of political correctness. It is a straightforward matter of fact that many such organisations are not well represented and, to be frank, many of them do not necessarily have the insider knowledge—if I can put it that way—of how to apply to the Arts Council or of what opportunities it presents. I would always encourage the Arts Council to reach out to such organisations to encourage them to apply and be part of its funding programmes.

Thirdly, and perhaps most pragmatically, the right hon. Gentleman invited me to use my best endeavours to find a way forward. I will certainly agree to do that. I
have written to him to suggest a meeting. I like nothing better than a good round table. I invite him and his colleagues from Southampton, Southampton city council, the Arts Council and Art Asia to sit around a table to discuss the issues and see whether we can find a way forward. Such comments tend to give my officials a dose of the heebie-jeebies, but given that they are also trying to deliver a £9.2 billion Olympic games, this should be a walk in the park for them. I promise that I will not cross the line by interfering in the Arts Council’s decision and that I will act exclusively as a neutral operator to bring the two sides together to discuss openly and frankly, but behind closed doors, a possible way forward.

That leads me to the right hon. Gentleman’s final point, namely whether Art Asia will continue to be fairly treated and avoid any comeback as a result of raising this issue in such a prominent fashion. I wholeheartedly agree with him that it is absolutely right and proper that any organisation that feels that it has been unfairly treated or that has concerns about something should be able to talk to its local MP, and that that local MP should be able to raise that issue in a way that he or she thinks appropriate. I can tell the right hon. Gentleman that I am completely confident, given how closely I have worked with the Arts Council over the past two years and the excellent men and women who work there, that there will be no comeback on Art Asia for raising the issue. I very much hope that all that will have been achieved is that we can progress at a more rapid pace than has been achieved in the past. I will certainly, along with the right hon. Gentleman and his colleagues, put my shoulder to the wheel to try to establish a way forward.

Question put and agreed to.

1.59 pm

Sitting adjourned.
Comments on the draft provisions should be submitted by 31 July and the Government’s response will be published on the MOD website shortly thereafter.

Successor Submarine Programme

The Parliamentary Under-Secretary of State for Defence (Peter Luff): I wish to inform the House that the Ministry of Defence (MOD) has signed contracts, worth approximately £350 million (excluding VAT), for the first 18 months of work on the assessment phase of the Successor submarine programme.

The Successor submarine programme will deliver the replacement for the Vanguard class submarines that carry the UK’s strategic nuclear deterrent. Hon. Members will recall that, my right hon. Friend the Member for North Somerset (Dr Fox), the then Defence Secretary, announced to the House on 18 May 2011, Official Report, columns 351-53 that the programme had obtained its initial gate approval and was commencing its assessment phase leading up to main gate consideration in 2016.

The assessment phase is expected to cost some £3 billion in total, and focuses on design and engineering activities, the purchase of long lead items, preparation for production, technology development, information and knowledge management, and project management. These latest contracts are part of that investment.

To deliver the assessment phase effectively, the MOD has signed a collaborative agreement with the three key suppliers in the UK submarine industry: BAE Systems Maritime—Submarines, Rolls-Royce and Babcock. We have also signed contracts with these companies, which include the first 18 months of assessment phase activities, as the start of a rolling programme of work.

The highest value contract is with BAE Systems Maritime—Submarines: it is worth around £328 million and covers submarine design. The contract with Babcock is worth around £15 million and covers the design aspects of in-service support. In addition a contract amendment with Rolls-Royce has been placed and is worth around £4 million for Successor design work.

These contracts, along with our continued commitment to the Astute submarine programme, will sustain thousands of jobs across the UK submarine industry, and will allow us to maintain this vital capability that underpins the nation’s long-term security.

ENERGY AND CLIMATE CHANGE

Draft Energy Bill (Pre-Legislative Scrutiny)

The Secretary of State for Energy and Climate Change (Mr Edward Davey): I am pleased to be publishing a draft of the Energy Bill today, in order for pre-legislative scrutiny to be carried out on it.

The draft Bill includes measures necessary to reform the electricity market to deliver secure, clean and affordable electricity.

At the heart of our Electricity Market Reform (EMR) measures are feed-in-tariffs with Contracts for Difference (CFDs), long-term instruments which will provide stable
and predictable incentives for companies to invest in low-carbon generation. CFDs are more affordable than alternative incentives and will mean a better deal for consumers. Through the work on Final Investment Decisions (FID) Enabling we are committed to working with developers to enable some of this investment to come forward in advance of the CFD regime coming into force, and the Bill contains measures to support this process. This will be complemented by a capacity market that will, if required, provide security of electricity supply by ensuring sufficient reliable capacity is available. Measures relating to conflicts of interest and contingency arrangements will ensure that the system operator which will deliver these schemes is appropriate. Renewables transitional measures will ensure that existing investments under the renewables obligation remain stable. Finally, an Emissions Performance Standard (EPS) will limit carbon dioxide emissions from the most polluting fossil fuel power stations by setting appropriate standards for all new fossil fuel powered generation. Taken as a whole, EMR will enable large-scale investment in low-carbon generation capacity in the UK and deliver security of supply, in a cost-effective way.

In addition to EMR, the Energy Bill will also improve regulatory certainty by ensuring that Government and Ofgem are aligned at a strategic level through a Strategy and Policy Statement (SPS), as recommended in the Ofgem review of July 2011.

The Bill also ensures that the Office for Nuclear Regulation will be fully able to meet the future challenges of regulating the nuclear industry, as the first new power plants since the 1980s are built.

Finally, the Bill contains provisions that will enable the sale of the Government Pipeline and Storage System (GPSS). The Under-Secretary of State for Defence, my hon. Friend the Member for Mid Worcestershire (Peter Luff) who has responsibility for equipment, support and technology, is laying a separate written ministerial statement today.

I am confident that measures contained in this Energy Bill will enable us to keep the lights on, bills down and air clean. I am pleased to commend it to the House today for PLS and will look forward to the publication of the Energy and Climate Change Select Committee’s report.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Independent Agricultural Appeals Panel (Review)

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I announced on 15 December 1911, Official Report 123WS that I had commissioned a review of the Independent Agricultural Appeals Panel (IAAP). I have considered the findings and recommendations of the review, and following consultation with the Minister for the Cabinet Office I am pleased to announce the Government’s decision on the future of this body. The IAAP will be retained in its current form (an advisory NDPB) and business processes supporting the appeals function are to be strengthened by DEFRA and the Rural Payments Agency (RPA), providing a more accessible and informative appeals service. The review concluded that there remains a need for the IAAP in its current form and that it is a service valued by stakeholders. The report makes a number of recommendations that will strengthen and improve how the appeals function is operated and increase its transparency and accessibility for customers. The Government have accepted these in full. DEFRA and the RPA will work together to implement the recommendations as part of the wider programme of work announced in the RPA’s five-year improvement plan (published on 9 February). Further details are available on the DEFRA website (www.defra.gov.uk) and the RPA’s website.

Copies of the review report, “Report of the Independent Agricultural Appeals Panel” have been placed in the Libraries of both Houses.

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council and Development Foreign Affairs Council

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I attended the Foreign Affairs Council (FAC) in Brussels on 14 May. My right hon. Friend the Secretary of State for International Development attended the Development FAC held later the same day.

Both meetings were chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Baroness Ashton of Upholland. A provisional report of the meeting and all conclusions adopted can be found at:
FOREIGN AFFAIRS COUNCIL.
Afghanistan

Ministers discussed Afghanistan ahead of international meetings in Chicago 20 and 21 May, Kabul 14 June and Tokyo 8 July. Conclusions were agreed (see link above) which reaffirmed the EU’s and individual member states’ commitment to support Afghanistan beyond its transition. Ministers agreed to continue to prioritise Afghanistan over the long-term through making an enhanced contribution to support the country. This commitment would be dependent on reciprocal efforts by the Afghan authorities to meet their agreed reform obligations.

Middle East Peace Process

Ministers agreed conclusions (see link above) stressing their commitment to a two-state solution to the conflict, and expressed concern about developments on the ground that could threaten the goal of a two-state solution, including in area C of the west bank and in East Jerusalem. They also reiterated the importance of Israel’s security.

I welcomed the conclusions and expressed hope that the new Israeli coalition could benefit the peace process. I also reminded colleagues of some recent positive steps
including the import into the UK of textiles from Gaza for the first time since 2007. There is an urgent need to relax the restrictions imposed on Gaza in order to allow products to be exported to the west bank, Israel and the EU.

Southern Neighbourhood

Ministers agreed conclusions (see link above) and a further round of sanctions against Syria. I made the following statement after the meeting:

“I welcome the EU’s agreement on a new round of sanctions on Syria. As long as the violence and repression continues we will continue to increase the pressure on the regime and its supporters. We will also press others to adopt and implement similar measures”.

“The UK fully supports the work of the joint UN and Arab League special envoy to resolve the crisis in Syria. The regime must implement rapidly and fully its commitments under two unanimous UN Security Council resolutions and Kofi Annan’s plan. This plan remains the best hope of ending the violence, but it is not open-ended and we will not hesitate to return to the UN Security Council if it is not implemented swiftly and in full”.

Ministers discussed Algeria’s parliamentary elections. I had already made the following statement on 12 May:

“I congratulate the people of Algeria on the conduct of these elections and welcome the Algerian Government’s decision to allow EU observers for the first time. Over the past 16 months people across north Africa have clearly expressed their desire for greater openness and accountability, and it is encouraging that the Algerian authorities have responded in this positive way. I particularly welcome the greater representation of women in the new Parliament, in line with Algeria’s recent reforms”.

“I hope this progress will lead to further reforms in the forthcoming discussion of constitutional change, and in the run up to the local elections later this year and the presidential elections in 2014. The UK has a good relationship with Algeria and I am confident that British Parliamentarians will seek to further strengthen ties with their newly elected Algerian counterparts”.

Ministers had a short exchange on Libya where many expressed their concern about increased migration flows through the country. I noted that that the EU’s border management assessment would soon be complete and that following this up should be a priority.

Mexico

Baroness Ashton briefed Ministers on her two recent visits to Mexico and preparations for the EU-Mexico summit due to be held on 17 or 18 June. During the following discussion many stressed that the summit was an opportunity to discuss a number of issues important to EU partners, including the EU-Mexico Free Trade Agreement and wider trade and investment within the region.

Russia

Ministers reviewed Russia in the light of the upcoming EU-Russia summit of 3 and 4 June in St Petersburg. I highlighted the importance of focusing on issues which were priorities for both Russia and the EU. We need to continue to engage with civil society groups. Although many colleagues highlighted the importance of the EU-Russia new agreement, others pointed out that progress on this was likely to be slow.

Ukraine

During discussions some Ministers expressed concerns about developments in Ukraine and the EU’s inability to exert any influence. Many Ministers agreed that it was too early to take any EU-wide decision on governmental attendance at the Euro 2012 championships.

Bosnia and Herzegovina (BiH)

Under a short AOB item, the Slovenian and Austrian Ministers briefed on their recent visit to BiH. This is likely to be a full agenda at the FAC on 25 June.

Other business

Ministers agreed without discussion a number of others measures, including:

A Council regulation suspending certain restrictive measures against Burma.

Conclusions on Somalia highlighting the steps needed for completion of the transition process, committed to continuing “significant support” for African Union Mission in Somalia (AMISON), and stressing concern over the humanitarian situation. The conclusions also noted the imminent mandate of EUCAP Nestor (Regional Maritime Capacity Building) and extension of the mandate for Eunavfor Atalanta (counter piracy).

Conclusions on Yemen.

A Council decision to extend the EU special representative in Afghanistan.

The fifth implementation report of the EU action plan for Afghanistan.

A common position on the fourth meeting of the EU-Albania Stabilisation and Association Council.

The establishment of the EU’s position for the 15th meeting of the EU-Ukraine Co-operation Council.

Development Foreign Affairs Council

Commissioner Piebalgs (Development), and Potocnik (Environment) attended the meeting chaired by Baroness Ashton.

Council Conclusions on “Agenda for Change” and “The Future Approach to EU Budget Support”

Ministers discussed and adopted Council conclusions for both the “Agenda for Change and The Future of EU Budget Support”. There was broad support for the principle of focusing EU grant funding on the poorest countries, with the exception of Spain who argued for a continued focus on middle-income countries in Latin America. The Secretary of State outlined UK priorities including the focus on results, impact and value for money in all EU aid. He noted the importance of rigorous analysis before providing budget support, support for improvements in domestic accountability during the provision of budget support and the importance of co-ordination within the country receiving the support.

Commissioner Piebalgs stated that the EU could learn from the UK on how to better communicate its development results.

2012 Annual Report on EU Development Aid Targets

Ministers discussed the findings of the Commission’s annual report 2012 on EU development aid targets and adopted Council conclusions. Commissioner Piebalgs and Baroness Ashton both stressed the need for the EU to continue to meet its 0.7% aid target. The Secretary of State highlighted that the millennium development goals (MDGs), would not be met if we did not meet our commitments. He argued that it was in the EU’s interest to support development as well as being the right thing for the world’s poor. In spite of the economic climate there was significant public support for continuing development aid. The Secretary of State noted that the Prime Minister had recently been announced as co-chair for the UN’s high-level panel for the post MDG framework.
Burma

Ministers discussed the situation in Burma. The EU would spend €150 million in the next two years. Commissioner Piebalgs made the case for joint programming in the country, supported by a number of other Ministers. The Secretary of State informed EU Ministers that the UK had recently quadrupled its aid to Burma, and that donor co-ordination was essential.

Rio+20

Development Ministers discussed the EU position for Rio+20, stressing that there should be a development focus to the Rio summit. Some Ministers noted their support for a sustainable development Council and sustainable development goals.

Council conclusions on food security under the horn of Africa initiative

Commissioner Piebalgs presented the Commission’s approach to SHARE (Supporting Horn of Africa Resilience) stressing the importance of private sector involvement and the rural sector. The Council adopted conclusions welcoming the approach and recognised the importance of support to build resilience in the horn of Africa. Commissioner Piebalgs informed Development Ministers of ongoing discussions under the G8 regarding food security.

Council Conclusions on Policy Coherence for Development (PCD)

Council conclusions were adopted by Ministers with no discussion.

State of play on Joint Programming

France welcomed the Commission’s written note on joint programming and called for an extension of joint programming to additional countries, adding that partner countries needed to be fully involved.

International Family Planning

The Secretary of State called for financial and political support from EU development Ministers for the family planning summit on 11 July 2012, co-hosted by the UK and the Gates Foundation.

I will continue to update Parliament on future Foreign Affairs Councils.

HOME DEPARTMENT

Putting Victims First

The Secretary of State for the Home Department (Mrs Theresa May): I am later today publishing “Putting victims first — more effective responses to anti-social behaviour”. It sets out the Government’s plans to deliver on the commitment to introduce more effective measures to tackle anti-social behaviour, and puts them in the wider context of the reforms to the policing and criminal justice landscape and work to turn round the lives of the most troubled families.

The term “anti-social behaviour” masks a range of nuisance, disorder and crime which affects people’s lives on a daily basis: from vandalism and graffiti; to drunk or rowdy behaviour in public; to intimidation and harassment. All have huge impacts on the lives of millions of people in this country. None is acceptable.

Many police forces, local authorities and social landlords are working hard to deal with these problems. However, too often, the harm that anti-social behaviour causes, particularly when it is persistently targeted at the most vulnerable people in our society, is overlooked. At the heart of our new approach is a fundamental shift towards focusing on the needs of victims, rather than the type of behaviour.

We know what victims of anti-social behaviour want. First and foremost they want the behaviour to stop, and the perpetrators to be punished for what they have done. They want the authorities to take their problem seriously, to understand the impact on their lives and to protect them from further harm. They want the issue dealt with swiftly and they do not want it to happen again.

The mistake of the past was to think that the Government could tackle anti-social behaviour themselves. However, this is a fundamentally local problem that looks and feels different in every area and to every victim. Local agencies should respond to the priorities of the communities they serve, not to those imposed from Whitehall. From November this year, directly elected police and crime commissioners will be a powerful new voice for local people, able to push local priorities to prevent anti-social behaviour from being relegated to a “second-tier” issue.

The Government do, however, have a crucial role in supporting local areas. We will do that by:

- Focusing the response to anti-social behaviour on the needs of victims—helping agencies to identify and support people at high risk of harm, giving frontline professionals more freedom to do what they know works, and improving our understanding of the experiences of victims;
- Empowering communities to get involved in tackling anti-social behaviour—including by giving victims and communities the power to ensure action is taken to deal with persistent anti-social behaviour through a new community trigger, and making it easier for communities to demonstrate in court the harm they are suffering;
- Ensuring professionals are able to protect the public quickly—giving them faster, more effective formal powers, and speeding up the eviction process for the most anti-social tenants, in response to recent consultations by the Home Office and Department for Communities and Local Government; and
- Focusing on long term solutions—by addressing the underlying issues that drive anti-social behaviour, such as binge drinking, drug use, mental health issues, troubled family backgrounds and irresponsible dog ownership.

It is vital that those who will be affected by these changes, from the professionals who will use the new powers, to victims seeking protection from targeted abuse, can continue to shape the reforms so that we get them right first time. We will therefore publish a draft Bill for pre-legislative scrutiny before introducing legislation.

Copies of “Putting victims first” will be available in the Vote Office.

Equality Strategy (Building a Fairer Britain: Progress Report)

The Secretary of State for the Home Department (Mrs Theresa May): When I launched the equality strategy “Building a Fairer Britain”, in December 2010, I made a commitment to report back on its progress.
I have today published a progress update, “The Equality Strategy: Building a Fairer Britain: Progress Report”. It sets out how the coalition Government’s new approach to equality, which is based on transparency, local accountability, and reducing bureaucracy, is beginning to make a difference across the five key priority areas set out in the equality strategy.

Copies of the report are available on the Home Office website.

JUSTICE

Appointment of the Chief Coroner

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): The Lord Chief Justice, following consultation with the Lord Chancellor, has announced today that His Honour Judge Peter Thornton QC is to take up post as chief coroner in September 2012.

His Honour Judge Thornton, a senior circuit judge at the central criminal court, was originally appointed to the post in May 2010 but did not formally take up his duties while the Government were reviewing the position.

As chief coroner His Honour Judge Thornton will, for the first time, be responsible for providing national leadership to coroners in England and Wales. He will also play a key role in setting new national standards and developing a new statutory framework for coroners including rules and regulations, as well as guidance and practice directions, within which coroners will operate. This will help to bring about much greater consistency of practice between coroner areas and improved services to the bereaved.

While His Honour Judge Thornton will not formally commence his duties until September, he will in advance of that familiarise himself with issues facing the coroner system. He will also continue to sit in the administrative court to hear judicial reviews on coronial matters.

Work is ongoing on implementation of the chief coroner’s statutory functions and other powers in Part I of the Coroners and Justice Act 2009, with a view to bringing them into force in 2013.

TRANSPORT

City of Liverpool Cruise Terminal

The Parliamentary Under-Secretary of State for Transport (Mike Penning): On 26 January, Official Report, columns 26WS, I undertook to report back to the House after taking external advice on an appropriate figure for grant repayment by Liverpool city council in order to assuage competition concerns sufficiently to withdraw the Department for Transport’s objection to turnaround cruise at the City of Liverpool Cruise Terminal.

The grant condition precluding turnaround had originally been set in 2007 in order to avoid unfair competition with other UK ports, which had invested in facilities without grant support. Liverpool city council had requested that the condition be lifted and it was agreed that a proportion of the grant be repaid.

I have now received this advice and have decided to accept the recommended figure of £8.8 million as a lump-sum repayment, or a total of £12.6 million if phased over 15 years. In my view this represents a fair outcome that addresses competition concerns while enhancing the benefits to secure which the grants were initially paid.

Final removal of the grant condition by DCLG will be dependent on securing state aid clearance from the European Commission, which will now be sought. The Department will assist in that process.

Dartford-Thurrock River Crossing (Charging Regime)

The Parliamentary Under-Secretary of State for Transport (Mike Penning): On 30 June 2011, the Department for Transport launched a consultation on proposals to revise the road user charging regime at the Dartford-Thurrock River Crossing. The consultation closed on 23 September.

The Government had to make hard choices at the time of the 2010 spending review, and accepted the need to increase revenues from the crossing to enable the continuing prioritisation of planned improvements.

The Department’s proposal was that cash charge for cars would increase from £1.50 to £2 from late 2011, and then to £2.50 in spring 2012, and that prices for other vehicles would also increase at broadly proportionate rates. These increases were part of a strategy to both manage demand at the crossing and to continue to prioritise short, medium and long-term improvements at the crossing.

On 24 November 2011, I informed the House that in recognition of the number of representations made, and to allow the Department time to carefully consider the responses further, there would be no increase in either 2011 or spring 2012 as set out in the consultation.

The Government remain committed to tackling the current and forecast traffic congestion at the crossing in recognition of its strategic importance, its role in facilitating the movements of goods and people and its contribution to national and local economies.

The Department received over 1,300 responses to its proposals for revising the charging regime at the crossing. Following careful consideration of all the points made during that consultation, I am today announcing the Department’s conclusions and the actions it intends taking.

The Department has decided to keep the road user charging regime at the crossing as part of its strategy to manage demand for its use, and also to allow the Department to deliver its strategy for future improvements. This includes the medium-term measure of implementing free-flow charging technology at the crossing in autumn 2014. To achieve this, consultation on the necessary secondary legislation will begin in autumn this year, followed by awarding the contract for customer charging and enforcement management services in autumn 2013.

In terms of the charges, the Department intends to increase these in two successive steps, as originally proposed, but to introduce the first increase in October 2012 (after the Olympic period), and the second at the
same time as implementation of new, free-flow charging technology at the crossing, currently scheduled for October 2014.

In terms of the levels of increase, the Department intends to increase the level of the cash charge for cars by 50p in October 2012, and again by a further 50p in October 2014. The cash charges for other vehicle classes will rise by broadly proportional amounts.

Discounts offered to regular users of the crossing who pay in advance through the electronic DART-Tag system will remain, with the costs of the discounted crossing charge increasing at the same rate and at the same time as the increases for cash payments.

Delaying the increases until after September responds to views expressed in the consultation about the proposed timing of increases, particularly in relation to the Olympic and Paralympic games, and about adverse impacts on the national and local economies.

As promised, the Department will maintain the levels of discounts to those eligible through the local residents’ discount scheme, and there will be no increases in the levels of the crossing charge for them. The Department is committed to ensuring that the discount scheme for residents remains effective and easy to use, and I have asked my Department to undertake a full review of the scheme to ensure it provides suitable discounted benefits to local communities who are impacted by the crossing.

One of our short-term measures to improve the crossing included the deployment of a charge suspension protocol which was trialled during 2011 by the Highways Agency. The agency has reviewed the effectiveness of the suspension protocol, taking into consideration the views expressed during the consultation on charges and we will shortly announce the conclusions of that review.

Subject to the completion of the necessary parliamentary processes, the Department intends to revise the road user charging regime as set out above.

The full response to the consultation can be found on the Department’s website.

**Government Car and Despatch Agency Business Plan**

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I am today announcing the next stage of the reform of the Government Car and Despatch Agency. By the end of this calendar year we intend to have ended GCDA’s agency status and to have integrated it into the Department for Transport.

We expect potential savings in administration costs of around £1.3 million to be achieved from the ending of agency status once all of the functions have been successfully merged with the Department. We will continue to publish information on expenditure and income to maintain financial transparency.

I am also announcing the publication of the 2012-13 business plan for GCDA.

The business plan sets out:

- the services the agency will continue to deliver until agency status ends and details of the continuing significant change and reform programme being implemented there;
- the resources they require, and
- a framework of measures by which their performance will be assessed

The measures allow service users and members of the public to assess how the agency is performing in delivering its key services and reforms and in managing agency finances.

The business plan will be available electronically on agency websites and copies will be placed in the Libraries of both Houses.
Petitions

Tuesday 22 May 2012

PRESENTED PETITIONS

Petitions presented to the House but not read on the Floor

VAT on Static Caravans

The Petition of residents of Hull West and Hessle,

Declares that the Petitioners believe that levying VAT on static holiday caravans would cost thousands of jobs in caravan manufacturing, from their suppliers, and in the wider UK holiday industry; and notes that the Petitioners believe that such a levy would lose revenue for the Government.

The Petitioners therefore request that the House of Commons urges the Government to reverse its decision to levy VAT on static caravans.

And the Petitioners remain, etc.—[Presented by Alan Johnson.]

[P001033]

The Petition of Residents of Selby and Ainsty and Harrogate constituency,

Declares that the Petitioners believe that levying VAT on static holiday caravans would cost thousands of jobs in caravan manufacturing, from their suppliers, and in the wider UK holiday industry; and notes that the Petitioners believe that such a levy would lose revenue for the Government.

The Petitioners therefore request that the House of Commons urges the Government to reverse its decision to levy VAT on static caravans.

And the Petitioners remain, etc.

[P001089]
Written Answers to Questions

Tuesday 22 May 2012

ATTORNEY-GENERAL

Police: Criminal Allegations

Jeremy Corbyn: To ask the Attorney-General what recent discussions he has had with the Director of Public Prosecutions on the Crown Prosecution Service’s handling of criminal allegations against police.

The Attorney-General: I refer the hon. Member to the answer I gave to the oral question from the right hon. Member for Cynon Valley (Ann Clwyd), earlier today. [108452]

European Court of Human Rights

Stuart Andrew: To ask the Attorney-General what recent assessment he has made of prospects for the reform of the European Court of Human Rights.

The Attorney-General: Good progress has been made in clearing the backlog of inadmissible cases. However more work is needed to address the growing backlog of admissible cases, hence the recent Brighton Declaration under the UK’s Chairmanship of the Council of Europe, which represents a substantial and important step towards realising the Government’s ambitions. [108458]

Manpower

Frank Dobson: To ask the Attorney-General how many jobs formerly in the Law Officers’ Departments and their public bodies were transferred to the private sector in 2011-12.

The Solicitor-General: None. [108898]

Prisoners: Repatriation

Mr Hollobone: To ask the Attorney-General what steps the Crown Prosecution Service is taking to request that custodial sentences handed down to foreign nationals be served in prison in their own countries.

The Solicitor-General: The Crown Prosecution Service has no power to request that a prisoner should serve their sentence in a foreign jurisdiction. Decisions on prisoner transfer agreements are a matter for the Lord Chancellor and Secretary of State for Justice, the right hon. and learned Member for Rushcliffe (Mr Clarke). [108532]

WALES

Carbon Emissions

Luciana Berger: To ask the Secretary of State for Wales what steps her Department took to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012.

Mr David Jones: The Wales Office is provided with its corporate and estates management services by the Ministry of Justice, and so is contained within that Ministry’s sustainability framework and targets and participates in its environmental initiatives.

Specific steps the Wales Office has implemented include: encouraging greater use of video conferencing facilities rather than travelling; replacing IT equipment with more energy-efficient models; providing better facilities for the collection of recyclable materials, and improving the range of materials that are recycled; and, where possible, installing automatic lighting that switches off lights when the room is unoccupied.

Complaints

Mr Thomas: To ask the Secretary of State for Wales how many complaints about the work of her Department were received in (a) 2010-11 and (b) 2011-12; and if she will make a statement.

Mr David Jones: None. [108958]

Local Government: Assets

Jonathan Edwards: To ask the Secretary of State for Wales what recent discussions she has held with (a) Welsh Ministers and (b) other groups, organisations or individuals on the criteria for being listed as an asset of community value in Wales.

Mr David Jones: The Secretary of State for Wales, my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan), and I regularly have discussions with a range of people including Welsh Ministers on matters that affect Wales. I have met with the Welsh Minister for Local Government and Communities to discuss issues within the Localism Act 2011 including assets of community value, and we held a joint briefing session for MPs on the then Bill’s framework powers. The Localism Act 2011 gives employees, community and voluntary groups and parish councils the power to develop proposals on how services can be run differently or better, and to give groups the time they need to prepare effective bids for running public services. In Wales, wherever details are left for delegated powers under the Act, the Welsh Government will produce regulations specific to Wales in due course. [108189]

Lost Property

Mr Thomas: To ask the Secretary of State for Wales how many items of equipment valued at £10,000 or more her Department lost in (a) 2010-11 and (b) 2011-12; and if she will make a statement.

Mr David Jones: None. [108937]
Newspaper Press

Jonathan Edwards: To ask the Secretary of State for Wales what recent discussions she has held with (a) Welsh Ministers and (b) any other groups, organisations or individuals on the printed news media in Wales. [108186]

Mr David Jones: The Secretary of State for Wales, my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan), has regular meetings with ministerial colleagues in HM Government, the Welsh Government, and other interested parties about issues affecting Wales, and has recently visited Media Wales in Cardiff and the South Wales Argus in Newport.

The Minister for Culture, Communications and Creative Industries, my hon. Friend the Member for Wantage (Mr Vaizey), has also organised a Q&A session with local newspaper groups for all Westminster MPs to be held on 23 May.

PRIME MINISTER

Jeremy Corbyn: To ask the Prime Minister what the names and company affiliations are of those who accompanied him on his recent visit to Indonesia. [109048]

Caroline Lucas: To ask the Prime Minister what the names and company affiliations are of those who accompanied him on his recent visit to Malaysia. [109051]

The Prime Minister: I have placed in the Libraries of both Houses a list of the delegation that accompanied me to South East Asia.

NORTHERN IRELAND

Bomb Disposal

Vernon Coaker: To ask the Secretary of State for Northern Ireland (1) on what dates he met the Police Service for Defence to discuss the deployment of army bomb disposal teams in Northern Ireland in the latest period for which figures are available; (2) what recent assessment he has made of the liaison between the Police Service for Northern Ireland and army bomb disposal teams in Northern Ireland; and if he will make a statement; (3) what responsibility his Department has for army bomb disposal teams in Northern Ireland and their deployment; and if he will make a statement. [109045, 109046, 109090]

Mr Paterson: Explosive Ordnance Disposal in Northern Ireland is provided by the military in support of the Police Service of Northern Ireland. I understand that there is a high level of cooperation on this very important matter and that the excellent working relationship allows for the delivery of a high quality of service as and when the need arises.

The operation and funding of equipment and support for these teams is a matter for the Secretary of State for Defence, my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond), who I meet regularly to discuss a range of issues, including the deployment of the Ammunition Technical Officers in Northern Ireland.

Terrorism

Vernon Coaker: To ask the Secretary of State for Northern Ireland how the additional £200 million given to the Police Service for Northern Ireland to fight terrorism was allocated in February 2011. [109047]

Mr Paterson: The Police Service of Northern Ireland received a one off additional £199.5 million from the HM Treasury Reserve to help protect the people of Northern Ireland and tackle the terrorist threat. This funding is spread over four years (2011-15) and will enhance the PSNI's ability to proactively tackle the terrorist threat.

ENERGY AND CLIMATE CHANGE

Carbon Emissions

Graham Stringer: To ask the Secretary of State for Energy and Climate Change what information he holds on the contribution to global warming made by emissions of black carbon (a) within the EU and (b) worldwide. [108560]

Gregory Barker: Research reported in the Intergovernmental Panel on Climate Change Fourth Assessment Report (IPCC AR4, 2007) indicated that black carbon emitted into the atmosphere by fossil fuel, biofuel and biomass burning has contributed +0.34 +/-0.25 W/m² of the change in total radiative forcing globally since 1750. There is also a smaller warming effect due to the deposition of black carbon on surface snow and ice, which the IPCC AR4 estimated to be about +0.1 +/-0.1 W/m².

In the same period, European black carbon emissions have contributed about 11% of global emissions and therefore approximately 11% of the total warming due to black carbon.

By comparison, the total warming effect from long-lived greenhouse gases was estimated by the IPCC to be +2.64 W/m², making black carbon the second largest warming influence upon the climate.

Carbon Sequestration

Katy Clark: To ask the Secretary of State for Energy and Climate Change what criteria he plans to use to assess the environmental effects of projects eligible for funding under the carbon capture and storage commercialisation programme prior to award decisions being made. [108205]

Gregory Barker: The question of whether or not a project which may have an adverse impact on the environment can proceed is primarily one for the authorities responsible for granting the necessary consents, permits and licences. However, the assessment of projects will include consideration of: their compatibility with the surrounding environment, and their ability to meet appropriate environment, health and safety, requirements;
the developer’s ability to ensure that permitting, planning and environmental issues are sufficiently addressed; the adequacy of the environmental management plan and the robustness of the bidder’s permitting and consultation strategy.

Katy Clark: To ask the Secretary of State for Energy and Climate Change whether an award of funding under the UK Carbon Capture and Storage Commercialisation Programme may be given to proposals for power plants which have not yet gained project consent.

Gregory Barker: All bidders submitting projects under the CCS programme have been asked to demonstrate how they will achieve all necessary consents, licences and permits required to build and operate a project. Projects will then be evaluated on their ability to ensure that these issues will be addressed in time to implement the project in accordance with the agreed programme. Clearly, evidence that a project already has necessary consents will be evaluated positively, and a project which could not demonstrate a realistic prospect of obtaining necessary consents on agreed timescales would not be funded. Where a project is selected for funding, evidence that any outstanding key consents, licences and permits are in place will be required before the contract takes effect.

Katy Clark: To ask the Secretary of State for Energy and Climate Change whether the Office of Carbon Capture and Storage would consider awarding funding under the UK Carbon Capture and Storage Commercialisation Programme to projects which may have an adverse impact on a designated wildlife site. [108251]

Gregory Barker: The question of whether or not a project which may have an adverse impact on a designated wildlife site can proceed is primarily one for the authorities responsible for granting the necessary environmental consents, permits and licences. However, all bidders submitting proposals for the funding of projects under the CCS programme are asked to provide information about how they will achieve all necessary consents, licences and permits required to build and operate a project, including those relating to the environmental impact of the proposal. This information will be taken, into account in the assessment used to determine which projects are awarded funding, and clearly a project which could not demonstrate a realistic prospect of obtaining necessary environmental consents would not be funded.

Katy Clark: To ask the Secretary of State for Energy and Climate Change which companies were represented at the Bidder Event for the UK Carbon Capture and Storage Commercialisation Programme held on 4 April 2012.

Gregory Barker: The Carbon Capture and Storage industry day on 4 April was one of a number of engagements the Department had with industry to explain the approach to the CCS competition and to gauge interest. Given that for some companies their attendance may have been commercially sensitive we would not normally disclose a list of attendees.

We have however now completed this process and, on 16 May, the Department published a list of companies that have signalled their intention to apply to the new CCS competition. Details are on the DECC website at: http://www.decc.gov.uk/en/content/cms/news/pn12_060/pn12_060.aspx

Complaints

Mr Thomas: To ask the Secretary of State for Energy and Climate Change how many complaints about the work of his Department and each of its non-departmental public bodies were received in (a) 2010-11 and (b) 2011-12; and if he will make a statement.

Gregory Barker: The Secretary of State for Energy and Climate Change, the right hon. Member for Kingston and Surbiton (Mr Davey), can advise that DECC has received one official complaint about a civil servant in 2010-11.

We have also received:
One complaint about the Boiler Scrappage Scheme in 2010-11; and
1,061 complaints relating to Warm Front in 2010-11 and 1,267 in 2011-12. These include both phone calls and those in writing, 26 of these cases were escalated through DECC’s internal appeal process.

Our NDPB’s have reported the following complaints:
The Nuclear Decommissioning Authority (NDA) received 4 complaints in 2010-11 (three of these from the same person) and four complaints in 2011-12. The Coal Authority have received seven complaints in 2010-11 and eight complaints in 2011-12.

Conservative Party and Liberal Democrats

Mrs Hodgson: To ask the Secretary of State for Energy and Climate Change what the (a) job title and (b) pay band was of each official, excluding special advisers, recruited by his Department since May 2010 who was previously employed in any capacity by the (i) Conservative Party or its elected representatives and (ii) Liberal Democrat Party or its elected representatives; and whether their position was advertised publicly.

Gregory Barker: The Department of Energy and Climate Change (DECC) does not hold details of the previous employment of its staff on a central database. Searching individual records to find this information would incur disproportionate costs.

Energy: Housing

Chi Onwurah: To ask the Secretary of State for Energy and Climate Change what assessment he has made of the potential contribution to green home improvement of employee benefit schemes.

Gregory Barker: We look carefully at all ideas for encouraging uptake, including a range of possible proposals for workplace initiatives.

Energy: Meters

Mr Spellar: To ask the Secretary of State for Energy and Climate Change what his Department’s estimate is of the likely cost of the smart meter programme; how many meters will be installed; and where such meters will be manufactured.

[108842]
Charles Hendry: The roll-out of smart metering is projected to cost £11.5 billion, and deliver benefits of £18.6 billion. It will involve the installation of some 53 million smart electricity and gas meters in approximately 30 million premises.

The roll-out of smart meters will be carried out by the energy suppliers and each supplier is responsible for sourcing meters for their customers; a range of smart meter manufacturers are available to energy suppliers both within the UK and globally.

Energy: Prices

Alec Shelbrooke: To ask the Secretary of State for Energy and Climate Change if he will bring forward proposals to reform domestic energy pricing to ensure higher charges are paid for higher consumption.

Charles Hendry: I currently have no plans to reform domestic energy pricing in this way. A risk of this kind of pricing approach is that it could make the energy needs of some vulnerable households, such as elderly and disabled people, more expensive to fulfil. This would especially be the case where a relatively high need for energy is accompanied by low levels of energy efficiency.

Fossil Fuels: Subsidies

Zac Goldsmith: To ask the Secretary of State for Energy and Climate Change what discussions took place at the Clean Energy Ministerial meeting on global fossil fuel subsidy reform on 25 and 26 April 2012.

Gregory Barker: I refer my hon. Friend to the answer the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Wealden (Charles Hendry), gave him on 17 January 2012, Official Report, columns 679-80W, that fossil fuel subsidy reform was not explicitly on the agenda of the Clean Energy Ministerial. However there was some limited discussion on fossil fuel subsidy reform in the light of the presentation from the International Energy Agency on its publication 'Tracking Clean Energy Progress' which outlined the need to level the playing field for clean energy technologies by, among others things: 'building on G20 efforts to phase out the use of inefficient fossil fuel subsidies, while ensuring access to affordable energy for all citizens'.

Lost Property

Mr Thomas: To ask the Secretary of State for Energy and Climate Change how many items of equipment valued at £10,000 or more have been lost by the Department in 2010-11 and 2011-12; and if he will make a statement.

Gregory Barker: No items of equipment valued at £10,000 or more have been lost by the Department in 2010-11 or 2011-12.

Meetings

Mr Thomas: To ask the Secretary of State for Energy and Climate Change on what dates (a) he, (b) Ministers and (c) senior officials in his Department have met representatives of (i) the Institute for Public Policy Research, (ii) the Taxpayers’ Alliance, (iii) the Institute of Economic Affairs, (iv) ResPublica, (v) the Centre for Social Justice and (vi) Policy Exchange; and if he will publish the minutes and agendas of these meetings.

Gregory Barker: Meetings between DECC Ministers and external organisations are published quarterly on the Department’s website, as are meetings between the permanent secretary and external organisations. For quarters which have not yet been published these will be published in due course.

The Department tries to keep in touch with policy research and new thinking relevant to energy and climate change matters. Officials meet with a wide variety of organisations not limited to six listed in this question. I am aware of a number of meetings between senior officials and the organisations listed. Senior officials met with IPPR representatives on 18 April 2011, 18 July 2011, 5 August 2011, 13 April 2012, Republica representatives on 20 January 2011 a meeting and 26 June 2011 when a representative spoke at a ministerial event. There was a meeting between a senior official at a request from Policy Exchange on 14 December 2010. For meetings which are primarily directed towards learning about new work or research it would not be normal for there to be a formal agenda or minutes.

There are no meeting minutes or agendas for meetings with senior officials to publish.

Members: Correspondence

Mr Frank Field: To ask the Secretary of State for Energy and Climate Change when he plans to reply to the letter from the hon. Member for Birkenhead of 17 April 2012.

Gregory Barker: The Secretary of State for Energy and Climate Change, the right hon. Member for Kingston and Surbiton (Mr Davey), has now replied to the letter.

Tidal Power

Jonathan Edwards: To ask the Secretary of State for Energy and Climate Change what recent assessment his Department has made of the potential for tidal energy developments in Welsh coastal waters.

Gregory Barker: In 2007 the Government commissioned the further development of the UK Marine Renewables Energy Atlas. The Atlas represents the most detailed regional description of potential marine energy resources in UK waters ever completed to date at a national scale. The Atlas is publicly available at: http://www.renewables-atlas.info/

DECC also takes a strategic view on the environmental impacts of deploying wave and tidal energy technologies. The Department recently published its Offshore Energy Strategic Environmental Assessment (SEA 2) which considered Wave and Tidal Energy Technologies for England and Wales and concluded that there are no overriding environmental considerations to prevent the leasing of wave and tidal energy devices provided appropriate measures are implemented that prevent, reduce and offset significant adverse impacts on the environment and other users of the sea.
Trade Unions

Priti Patel: To ask the Secretary of State for Energy and Climate Change how many trade union representatives in (a) his Department and (b) each of its non-departmental public bodies had (i) part-time and (ii) full-time paid facility time arrangements in 2011-12.

[107357]

Gregory Barker: The Recognition Agreement between DECC and the recognised trade unions (the Public and Commercial Services Union, the FDA and Prospect) follows the ACAS Code of Practice “Time off for Trades Union Duties and Activities” and sets out the details of facility time agreed between parties.

In 2011-12 DECC employed two full-time equivalent officers. In addition, the Department had 11 part-time representatives with specific facility time arrangements not exceeding 20% of their working hours.

The Department has responsibility for four non-departmental bodies:

- The Civil Nuclear Police Authority
- The Coal Authority
- The Committee on Climate Change
- The Nuclear Decommissioning Authority

Of these, the Civil Nuclear Police Authority employed two full-time equivalent officers and four part-time representatives with specific facility time arrangements not exceeding 50 days per year.

The other bodies confirm they had no full-time or part-time paid facility time arrangements.

Priti Patel: To ask the Secretary of State for Energy and Climate Change how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) each of its non-departmental public bodies for trade union (i) duties and (ii) activities in 2011-12.

[107357]

Gregory Barker: The Recognition Agreement between DECC and the recognised trade unions follows the ACAS Code of Practice “Time off for Trades Union Duties and Activities” and sets out the details of facility time agreed between parties.

In 2011-12 DECC the number of days utilised for paid facility time duties were 218 and for paid facility time activities 38.

The Department has responsibility for four non-departmental bodies:

- The Civil Nuclear Police Authority
- The Coal Authority
- The Committee on Climate Change
- The Nuclear Decommissioning Authority

These bodies did not hold this information.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture

Mr Knight: To ask the Secretary of State for Environment, Food and Rural Affairs with reference to the answer of 1 May 2012, Official Report, column 1381W, on departmental responsibilities, if she will list the 17 rural and farming networks; and what the name is of the chair of each such network.

[108354]

Richard Benyon: The 17 rural and farming networks and their chairs are as follows:

<table>
<thead>
<tr>
<th>Rural and Farming Network Group</th>
<th>Group Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming Food and Rural Network East (covering much of the East of England)</td>
<td>Marie Francis</td>
</tr>
<tr>
<td>Rural Network East Midlands</td>
<td>Geoff Stevens</td>
</tr>
<tr>
<td>Lincolnshire Forum for Agriculture and Horticulture</td>
<td>Mark Tinsley</td>
</tr>
<tr>
<td>Derbyshire Economic Partnership Rural Forum</td>
<td>Cllr Lewis Rose</td>
</tr>
<tr>
<td>Food, Farming and Rural Affairs Tees Valley</td>
<td>Lorna Jackson</td>
</tr>
<tr>
<td>Farming and Rural Issues Group (covering much of the South East)</td>
<td>Andrew Colquhoun</td>
</tr>
<tr>
<td>Essex Rural Partnership</td>
<td>Cllr John Jowers</td>
</tr>
<tr>
<td>The Kent Rural Network</td>
<td>Andrew Wickham</td>
</tr>
<tr>
<td>Rural Cornwall and Isles of Scilly Partnership</td>
<td>Cllr Bert Biscoe</td>
</tr>
<tr>
<td>South West Rural and Farming Network</td>
<td>David Fursdon</td>
</tr>
<tr>
<td>Worcestershire Rural Hub Limited (covering Worcestershire and Warwickshire)</td>
<td>Pauline Yardley</td>
</tr>
<tr>
<td>The Rural Hubs Partnership (covering Herefordshire, Shropshire and Staffordshire)</td>
<td>Christine Hope</td>
</tr>
<tr>
<td>Yorkshire Food, Farming and Rural Network</td>
<td>Steve Willis</td>
</tr>
<tr>
<td>The North Eastern Farming and Rural Advisory Network</td>
<td>Anthony Braithwaite</td>
</tr>
<tr>
<td>The Wessex Rural and Farming Network (covering Dorset, Hampshire, Isle of Wight, Surrey, West of Berkshire, West Sussex and Wiltshire)</td>
<td>John Selborne</td>
</tr>
<tr>
<td>Cumbria &amp; North Lancashire Farming, Food &amp; Rural Group</td>
<td>Will Cockbain</td>
</tr>
<tr>
<td>Cheshire, South and West Lancashire, Merseyside &amp; Manchester Land Use Farming &amp; Rural Group</td>
<td>David Rowlands</td>
</tr>
</tbody>
</table>

Common Agricultural Policy

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what recent progress she has made in discussions with (a) her EU counterparts and (b) the European Commission on reform of the Common Agricultural Policy.

[107978]

Richard Benyon: The European Commission’s Common Agricultural Policy proposals are currently being negotiated by member states in Agriculture Council and, for the first time, by the European Parliament under co-decision. Either the Secretary of State for Environment, Food and Rural Affairs, my right hon. Friend the Member for Meriden (Mrs Spelman), or the Minister of State, Department for Environment, Food and Rural Affairs, my right hon. Friend the Member for South East Cambridgeshire (Mr Paice), has attended each monthly Agriculture Council and have met Agriculture Ministers from other member states to push the UK negotiating position and discuss reform of the CAP; we are working very hard to build alliances and gain support for the things we want.

Since the new year, Ministers have also met EU colleagues in targeted bilaterals, including the Minister of State’s visit to Prague to discuss capping with our Czech counterpart and the Secretary of State’s discussions with German and Estonian Ministers during Berlin Green Week. Particular progress has been made through our active involvement with the Stockholm Group, comprising of Agriculture Ministers from Sweden, Denmark, Netherlands, Germany, Czech Republic, Latvia and Estonia, in which Ministers have discussed alternatives to the Commission’s unpopular greenening proposals. The Commission has started to acknowledge member states’ dissatisfaction and propose the necessary adjustments.
Dairy Farming

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what plans her Department has to introduce a voluntary code of practice in the dairy industry. [107974]

Richard Benyon: We continue to strongly support the industry introducing its own robust voluntary code of practice which should improve contractual conditions and therefore the balance of power.

A voluntary code is preferable to regulation for many reasons. It could be in place more quickly, and deal with the issues more flexibly, including those where the EU regulations cannot help, such as notice periods and exclusivity of supply. A code of practice would also keep the industry in control rather than relying upon prescriptive legislation.

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what recent price reduction by milk processors on the dairy industry. [107975]

Richard Benyon: The Government wants to see a profitable, thriving, sustainable and competitive dairy sector. The recent price reduction by milk processors is very bad news for those farmers affected. However this is a feature of a volatile market. This underlines the need for the industry to agree on a robust voluntary code of practice that will improve contractual conditions and therefore the balance of power.

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what discussions she has had on the effect on the dairy industry of the recent price reduction by milk processors. [107976]

Richard Benyon: On 10 May the Minister of State, Department for Environment, Food and Rural Affairs, my right hon. Friend the Member for South East Cambridgeshire (Mr Paice), chaired discussions with senior representatives from throughout the industry at the latest meeting of the Dairy Supply Chain Forum which came after the announcement of recent price reductions by milk processors. The meeting was constructive including focus on progress in establishing a robust voluntary code of practice. This could improve the management of price changes by establishing more balanced and effective contractual conditions.

Jonathan Edwards: To ask the Secretary of State for Environment, Food and Rural Affairs with reference to the answer of 1 May 2012, Official Report, column 1380W, on dairy farming, whether she plans to introduce legislative proposals relating to the EU Dairy Package through primary or secondary legislation; and whether legislative proposals relating to Wales will be brought forward through Parliament or the National Assembly for Wales. [108540]

Richard Benyon: The Dairy Package is an EU Regulation which is directly applicable in the UK. We are currently considering the need for supplementary Regulations dealing with penalties and the possible exercise of optional elements in the Regulation. These would be adopted as secondary legislation. Consultations on the implementation of the package are expected in each part of the UK in the autumn. With the exception of any competition matters (which are reserved to UK Parliament), it is anticipated that separate regulations would be adopted by Welsh Ministers.

Eggs

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what assessment she has made of the extent of expansion in the free-range egg sector. [107983]

Richard Benyon: For some time, the free-range egg sector has been expanding steadily in response to growing demand as public awareness of production welfare standards has increased. The following table shows that since 2000, the percentage of overall production has increased from 20% in 2000 to almost 50% in the first quarter of 2012.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of production by egg type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intensive</td>
</tr>
<tr>
<td>2000</td>
<td>72</td>
</tr>
<tr>
<td>2001</td>
<td>70</td>
</tr>
<tr>
<td>2002</td>
<td>69</td>
</tr>
<tr>
<td>2003</td>
<td>69</td>
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<td>2004</td>
<td>66</td>
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<td>2005</td>
<td>63</td>
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<td>2006</td>
<td>63</td>
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<td>2007</td>
<td>62</td>
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<tr>
<td>2008</td>
<td>58</td>
</tr>
<tr>
<td>2009</td>
<td>55</td>
</tr>
<tr>
<td>2010</td>
<td>50</td>
</tr>
<tr>
<td>2011</td>
<td>49</td>
</tr>
<tr>
<td>2012Q1</td>
<td>48</td>
</tr>
</tbody>
</table>

Flood Control

Tristram Hunt: To ask the Secretary of State for Environment, Food and Rural Affairs what recent steps she is taking to manage and mitigate the long-term risk of flooding in the UK from (a) heavy rainfall, (b) river flooding and (c) coastal flooding. [108104]

Richard Benyon: This Government will spend £2.17 billion on managing the risk of flooding and coastal erosion over this spending period (April 2011 to March 2015). This includes investment in understanding the risks of flooding through better risk mapping, flood forecasting and warnings and heightening public awareness of flood risk; investment in flood defences and strategic planning; and investment in emergency response capabilities.

We have prioritised areas of severe flood and coastal erosion risk, and households in deprived communities. Risk management authorities are on track to exceed the goal of better protecting 145,000 homes by 2015. Around 100,000 of these will be in areas of significant flood risk.

Flood: Insurance

Tristram Hunt: To ask the Secretary of State for Environment, Food and Rural Affairs whether she is taking steps to ensure that flood insurance continues to
Richard Benyon: In 2008 the Government and the insurance industry agreed that the existing Statement of Principles would expire on 30 June 2013. A new shared understanding is being developed that sets out more clearly what individual customers can expect from their insurer and the Government. It will also reinforce the principle that action taken by communities, individuals, Government and businesses to reduce flood risk will be the best way of keeping insurance terms affordable in to the future.

In the current spending period, the Government is spending over £2.17 billion on flood and coastal erosion risk management, thus offering better protection to over 145,000 homes.

We are also considering the case for additional measures to help safeguard the affordability of flood insurance. We are in intensive negotiations with the insurance industry and will provide a further update in the near future.

Marine Conservation Zones

Hugh Bayley: To ask the Secretary of State for Environment, Food and Rural Affairs whether she plans to put in place interim measures to prevent damage to conservation features in recommended marine conservation zones in the North sea; and if she will release a timetable setting out when she expects all 127 recommended marine conservation zones to be protected through formal designation.

Richard Benyon: The Marine and Coastal Access Act 2009 sets out the provisions and responsibilities in relation to the protection of marine conservation zones (MCZs). Section 125 of the Act places a duty on public authorities to exercise their functions in a manner that best furthers (or least hinders) the conservation objective of MCZs. Under section 132 of the Act, the Marine Management Organisation has powers to introduce interim byelaws for the purposes of protecting any feature where there are, or may be, reasons for the Secretary of State to consider whether to designate the area as an MCZ, and there is an urgent need to protect the feature.

I made a written ministerial statement to the House of Commons on 15 November 2011, Official Report, columns 35-36WS, setting out the timetable for the designation of marine conservation zones. The full statement can be found in the Libraries of the House.

Meat: Contamination

Miss McIntosh: To ask the Secretary of State for Environment, Food and Rural Affairs what discussions she has had with (a) her European counterparts and (b) the EU Commission on the decision to ban desinewed meat and presenting the scientific case for UK practices. This has resulted in Commission agreement to a staged introduction of the moratorium in the UK rather than an immediate change.

Richard Benyon: The Food Standards Agency (FSA) and Foreign and Commonwealth Office have played the lead role on behalf of the UK Government in explaining to the Commission the full impact of their decision to introduce a moratorium on desinewed meat and presenting the scientific case for UK practices. This has resulted in Commission agreement to a staged introduction of the moratorium in the UK rather than an immediate change.

Supermarkets: Competition

Huw Irranca-Davies: To ask the Secretary of State for Environment, Food and Rural Affairs what discussions (a) she, (b) Ministers and (c) officials in her Department have had with their counterparts in the Department for Business, Innovation and Skills on the proposed Groceries Code Adjudicator.

Richard Benyon: The Secretary of State for Environment, Food and Rural Affairs, my right hon. Friend the Member for Meriden (Mrs Spelman), has regular discussions with her opposite number in the Department for Business, Innovation and Skills on a range of topical issues, including the establishment of a Groceries Code Adjudicator. DEFRA’s other Ministers have taken a keen interest in its development. Officials of both Departments have been in regular communication throughout the development of the proposed Adjudicator to ensure the views of DEFRA Ministers have been taken into account.

UN Conference on Sustainable Development

Mrs Moon: To ask the Secretary of State for Environment, Food and Rural Affairs what discussions she has had with children’s charities working in the developing world on priorities for the Rio Earth Summit; and if she will make a statement.

Richard Benyon: The Secretary of State for Environment, Food and Rural Affairs, my right hon. Friend the Member for Meriden (Mrs Spelman), is leading the Government’s preparations for Rio+20. An essential element of this involves consultation with civil society groups on priorities for the Conference, including groups that work in the developing world and focus on children and youth.

CULTURE, MEDIA AND SPORT

Credit Cards

Mr Knight: To ask the Secretary of State for Culture, Olympics, Media and Sport how many civil servants in his Department hold a corporate credit card; how many instances there have been of (a) discipline and (b) dismissal for misuse of such credit cards in the last 12 months; and how much was repaid to his Department for credit card misuse over that period.

John Penrose: There are currently 57 active Government Procurement Cards (GPC) in the Department. Over the last 12 months there have been no instances of discipline or dismissal for the misuse of cards. Nothing was repaid to the Department for card misuse over that period.

Manpower

Mr Redwood: To ask the Secretary of State for Culture, Olympics, Media and Sport how many full-time equivalent employees his Department employed in May 2010; and how many it employed at the latest period for which figures are available.
Mr Redwood: To ask the Secretary of State for Culture, Olympics, Media and Sport how many full-time equivalent employees have (a) left and (b) been recruited to his Department in the last two years.

The following table shows the number of people employed by the Department in May 2010 and at the latest period, in May 2012:

<table>
<thead>
<tr>
<th>As at May each year</th>
<th>Full-time equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>462</td>
</tr>
<tr>
<td>2012</td>
<td>477.7</td>
</tr>
</tbody>
</table>

A large proportion of these employees are working on a temporary basis to assist in delivery of the Olympic and Paralympic Games.

Mr Redwood: To ask the Secretary of State for Culture, Olympics, Media and Sport how many full-time equivalent employees have (a) left and (b) been recruited to his Department in the last two years.

The table shows the total number of full-time equivalents that have either been recruited by, or have left the Department for Culture, Media and Sport (DCMS) in the last two years:

<table>
<thead>
<tr>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of new recruits: 167.4</td>
</tr>
<tr>
<td>Total number of leavers: 151.7</td>
</tr>
</tbody>
</table>

In April 2011, 49 employees transferred to DCMS under Machinery of Government change. Furthermore, DCMS has recruited 36 employees on loan from other Departments to work on the Olympic Games. This group will leave after the games.

Olympic Games 2012

Chris Heaton-Harris: To ask the Secretary of State for Culture, Olympics, Media and Sport whether he has had any discussions with the Olympic Committee of Israel.

Hugh Robertson: The London Organising Committee of the Olympic and Paralympic Games (LOCOG) is responsible for staging the 2012 games. LOCOG’s no smoking policy is based on the International Olympic Committee’s policy on smoking and existing UK legislation. LOCOG will not sell tobacco or cigarettes at any Olympic or Paralympic venue, and no tobacco advertising will be allowed.

Smoking will be prohibited in all ticketed sports competition venues for the games, including the Olympic Stadium and Athletes’ Village. There will be a small number of discrete, designated smoking areas on the Olympic Park which will be located away from building entrances, open windows and ventilation ducts.

Mr Crasby: To ask the Secretary of State for Culture, Olympics, Media and Sport what the makes and models are of the cars to be used in the organisation of the London 2012 Olympics.

Hugh Robertson: The London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) is the private company responsible for staging the London 2012 Games.

LOCOG appointed BMW as the automotive partner for the games in 2009. BMW will provide up to 4,000 cars required for LOCOG’s fleet, including low-emission, diesel, hybrid and electric cars. These will be used to transport athletes, technical officials, press and broadcast as well as National Olympic and Paralympic Committees, International Sports Federations, the International Olympic Committee, International Paralympic Committee, games marketing partners and others working at the games between more than 30 games venues.

Redundancy

Mr Redwood: To ask the Secretary of State for Culture, Olympics, Media and Sport how many of his Department’s employees have been made redundant in the last two years.

John Penrose: The Department ran an early release scheme in September 2010 and under this scheme, 72 employees left in the last two years. A similar scheme was launched in January 2012 which will result in a total of 36 employees leaving by 31 March 2013.

Trade Unions

Priti Patel: To ask the Secretary of State for Culture, Olympics, Media and Sport (1) how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) its non-departmental public bodies in 2011-12; and at what cost to the public purse;

(2) how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) its non-departmental public bodies for trade union (i) duties and (ii) activities in 2011-12;

(3) on how many occasions trade union representatives from (a) his Department and (b) its non-departmental public bodies have utilised paid facility time to represent an employee at a meeting or other industrial relations matter in each of the last five years.
John Penrose: A partnership agreement between the Department for Culture, Media and Sport (DCMS) and the trade unions came into effect in April 2001. Based on the facility time allocations set in the partnership agreement, accredited representatives spent up to 3,900 hours per annum on trade union-related activities, since 2001 to date. The annual cost of employing trade union representatives for DCMS and The Royal Parks is up to £77,000 for the 2011-12 financial year.

The proportion of time spent on trade union duties, by representative, can be found in the following table:

<table>
<thead>
<tr>
<th>Trade union activity</th>
<th>Number of hours spent per annum per trade union representative</th>
<th>Number of trade union representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>100% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Secretary</td>
<td>Up to 20% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Up to 10% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Branch Organiser</td>
<td>Up to 10% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Health and Safety Officer</td>
<td>Up to 10% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Equality Officer</td>
<td>Up to 10% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Learning</td>
<td>Up to 10% of their time</td>
<td>1</td>
</tr>
<tr>
<td>Building Representatives</td>
<td>107 hours per representative</td>
<td>4</td>
</tr>
</tbody>
</table>

We do not disaggregate the time spent by (i) duties or (ii) activities.

DCMS does not hold this information for its arm’s length bodies (ALBs). Accordingly, I have asked the chief executive of our ALBs to write directly to my hon. Friend with this information. Copies of the responses will be placed in the Libraries of both Houses.

LEADER OF THE HOUSE
House of Lords: Reform

Mrs Laing: To ask the Leader of the House when he intends to make time for a debate on the Report of the Joint Committee on House of Lords Reform which was published on 23 April 2012. [108661]

Sir George Young: I refer my hon. Friend to the answer I gave to the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), during Business Questions on 10 May 2012, Official Report, column 131.

DEFENCE
Aircraft Carriers

Mr Jim Murphy: To ask the Secretary of State for Defence how much his Department has spent on training individuals to handle and fly the CATOBAR aircraft since its introduction. [108868]

Peter Luff: I refer the right hon. Member to the answer I gave on 30 April 2012, Official Report, column 1123W. I will write to the right hon. Member once the costs associated with this training have been collated.

Armed Forces: Private Education

Mr Jim Cunningham: To ask the Secretary of State for Defence how many children with at least one parent serving in the armed forces but not currently posted overseas are in private education and receive Continuity of Education fees for each rank within the armed forces in the latest period for which figures are available. [107901]

Mr Robathan [holding answer 21 May 2012]: The number of children who are supported by continuity of education allowance (CEA) where their service parent is UK based is listed in the following table:

<table>
<thead>
<tr>
<th>Army Rank or equivalent</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lt/2nd Lt</td>
<td>610</td>
</tr>
<tr>
<td>Capt</td>
<td>1,030</td>
</tr>
<tr>
<td>Maj</td>
<td>1,190</td>
</tr>
<tr>
<td>Lt Col</td>
<td>490</td>
</tr>
<tr>
<td>Col</td>
<td>170</td>
</tr>
<tr>
<td>Maj Gen and above</td>
<td>40</td>
</tr>
<tr>
<td>Pte (Class 1-3)</td>
<td>60</td>
</tr>
<tr>
<td>L/Cpl</td>
<td>70</td>
</tr>
<tr>
<td>Cpl</td>
<td>280</td>
</tr>
<tr>
<td>Sgt</td>
<td>480</td>
</tr>
<tr>
<td>S/Sgt</td>
<td>480</td>
</tr>
<tr>
<td>WO2</td>
<td>320</td>
</tr>
<tr>
<td>WO1</td>
<td>210</td>
</tr>
</tbody>
</table>

Notes:
1. All personnel serving on ships have been assigned a location of their home port. These figures do not include CEA guardian claims.
2. The numbers provided include children educated in both private, and state boarding schools.
3. Rounding has been applied to all figures. When rounding to the nearest 10 numbers ending in ‘5’ have been rounded to the nearest multiple of 20 to prevent systematic bias. Totals have been rounded separately and therefore may not equal the sum of their rounded parts.
4. Figures provided are as at term two of academic year 2011-12.

Armed Forces: Redundancy

Mr Jim Murphy: To ask the Secretary of State for Defence how many service personnel have been made redundant as part of Tranche 1 and Tranche 2. [108342]

Mr Robathan [holding answer 21 May 2012]: The Strategic Defence and Security Review announced a reduction in the armed forces of 17,000 by 2015. In order to achieve a balanced drawdown which ensures that the services retain sustainable structures, the full range of manning levers is being employed. These include natural turnover, a reduction in recruiting, and an armed forces redundancy programme.

Tranche 1 of the armed forces redundancy programme resulted in some 2,860 being selected for redundancy. Of this figure 1,770 were applicants and will have left service by 31 March 2012. Non-applicants were given 12 months’ notice from the date of their selection. Anyone who wishes to leave earlier may apply to do so.

Tranche 2 is currently being finalised with individuals being informed on 12 June 2012. As for tranche 1, applicants will be given six months’ notice and non-applicants 12 months’ notice from the date of their selection. Anyone who wishes to leave earlier may apply to do so.
**Armoured Fighting Vehicles**

**Amber Rudd:** To ask the Secretary of State for Defence when he plans to confirm the contractual arrangements for commissioning and producing of the Scout Special Vehicle.  
[108717]

**Peter Luff [holding answer 21 May 2012]:** The Scout Specialist Vehicles project is currently in its Demonstration Phase. A decision on vehicle manufacture will be taken in due course.

**Chief Scientific Advisers**

**Adam Afriyie:** To ask the Secretary of State for Defence when his Department expects to appoint a new chief scientific adviser.  
[108425]

**Peter Luff [holding answer 21 May 2012]:** The Ministry of Defence expects to appoint a new chief scientific adviser shortly.

**Joint Strike Fighter Aircraft**

**Angus Robertson:** To ask the Secretary of State for Defence what assessment he has made of the difference in noise levels between the Joint Strike Fighter C variant and the Joint Strike Fighter B variant during all methods of (a) take-off and (b) landing.  
[108625]

**Peter Luff:** Assessments of the noise levels for the different variants of Joint Strike Fighter are ongoing.

**Military Aircraft: Helicopters**

**Gordon Banks:** To ask the Secretary of State for Defence with reference to the answer of 1 May 2012, *Official Report*, column 1531W, on military aircraft: helicopters, on what date the review of the Sea King Integrated Operational Support contract and the Lynx In-Service Support Agreement with AgustaWestland began.  
[108754]

**Peter Luff:** The Sea King Integrated Operational Support (SKIOS) contract Pricing Period 3 Request for Quotation (PP3 RFQ) was issued to AgustaWestland on 18 October 2011.  

The Lynx In-Service Support Agreement (LISSA) contract Pricing Period 2 Request for Quotation (PP2 RFQ) was issued to AgustaWestland on 23 January 2012.

**Military Aircraft: Manpower**

**Mr Kevan Jones:** To ask the Secretary of State for Defence (1) how many Harrier pilots have been re-deployed since May 2010;  
[109068]  
(2) how many Harrier pilots have been made redundant since May 2010.  
[109069]

**Nick Harvey:** I refer the hon. Member to the answer I gave on 26 April 2012, *Official Report*, column 989W, to the right hon. Member for East Renfrewshire (Mr Murphy). Pilots for STOVL training will be drawn from a number of areas, including other fixed wing fleets, in addition to former Harrier pilots currently undertaking other duties.

**Military Aircraft: Training**

**Mr Jim Murphy:** To ask the Secretary of State for Defence how many pilots who are trained to operate Harriers will be retrained to fly STOVL.  
[108871]

**Peter Luff:** Detailed planning for the training of Royal Navy and Royal Air Force Joint Strike Fighter pilots is currently being conducted. It is too soon to determine specifically how many Harrier pilots amongst existing UK trained pilots will be trained to fly the F-35B variant of Joint Strike Fighter. There will be no shortage of STOVL-experienced pilots with such personnel currently flying other aircraft or attached to flying duties in the US.

**Pay**

**Jonathan Edwards:** To ask the Secretary of State for Defence how many of his Department’s officials located in Wales would be affected by proposals for local-facing pay.  
[107530]

**Mr Robathan:** As announced by the Chancellor of the Exchequer in his Budget, 21 March 2012, *Official Report*, columns 793-808, Government Departments are to consider moving to more local market facing pay for staff when the pay freeze ends. The Ministry of Defence (MOD) comes out of the pay freeze in 2013 and is currently considering its strategy on local market facing pay but it is too early to say how many MOD civilians located in Wales might be affected by this.

**TRANSPORT**

**Blue Badge Scheme**

**Ian Austin:** To ask the Secretary of State for Transport if she will make it her policy to increase the three hour time limit on parking granted by disabled parking badges for those badge holders who require longer parking for work purposes.  
[109035]

**Norman Baker:** The three-hour time limit for Blue Badge holders applies in cases where they need to park on single or double yellow lines or in other on-street parking bays where a time limit is imposed. Badge holders may park all day in on-street pay-and-display bays. Operators of off-street car parks, including those provided by employers, are able to set out their own terms and conditions relating to how and where disabled people can park.

The Department consulted in 2008 on whether or not to extend the three-hour time limit. Many respondents supported an extension, but many also opposed it and wanted the time limit to be reduced. The Government therefore decided to leave the current three-hour limit in place and we have no plans to change it.

**Carbon Emissions**

**Luciana Berger:** To ask the Secretary of State for Transport what her Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012.  
[108587]
Norman Baker: Between the 1 April 2010 and the 31 March 2011 the Department for Transport greenhouse gas emissions (CO2e) amounted to 181,475 tonnes. This figure covers DFT organisations (core department, seven executive agencies and one non-departmental public body) that report under the Greening Government Commitments. The total figure incorporates estate, business travel and strategic road network lighting emissions.

The Department for Transport is currently collating and validating its emission data for the 2011-12 financial year and those figures are due to be available at the end of May 2012.

Under the Greening Government Commitments the Department for Transport is committed to delivering a 25% reduction in Greenhouse Gas emissions by 31 March 2015.

Luciana Berger: To ask the Secretary of State for Transport what steps her Department took to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012.

Norman Baker: In (a) 2010, (b) 2011 and (c) 2012 the Department for Transport introduced a large number of measures across its organisations and this information has been placed in the Libraries of the House. The measures for 2012 include some items that are programmed to take place later this year.

Chiltern Railway Line

Mr Thomas: To ask the Secretary of State for Transport whether (a) she, (b) Ministers in her Department and (c) officials in her Department have had discussions with Chiltern Railways on reductions in services on the Marylebone to High Wycombe line; and if she will make a statement.

Norman Baker: Chiltern Railways has consulted local stakeholders on plans for peak time timetable changes from December 2012 that are intended to improve the reliability of services for passengers and increase capacity at peak times. The Secretary of State has approved the required changes to Chiltern’s Franchise Agreement to facilitate the timetable changes.

Consultants

Frank Dobson: To ask the Secretary of State for Transport with reference to the answer of 23 April 2012, Official Report, column 583W, on consultants, what payments were made to (a) IBM, (b) Amtec Consulting, (c) Deloitte, (d) Hedra Consortium, (e) Atlan Resource, (f) Capita Interim Management, (g) Evolve Business Consultancy, (h) LM House Ltd and (i) Methods Consulting.

Norman Baker: [holding answer 21 May 2012]: The information requested for pre 1 April 2007 is not readily available and, I regret, would incur disproportionate costs to gather.

The payments made to the relevant firms from 1st April 2007 to 31st March 2009 are listed below. There has been no material use of management consultants since 2009.

- IBM £30,912,035
- Amtec Consulting £560,439
- Deloitte £643,439
- Hedra Consortium £0
- Atlan Resource £293,996
- Capita Interim Management £24,122
- Evolve Business Consultancy £10,440
- LM House Ltd £418,168
- Methods Consultancy £148,825

Diesel Fuel

Dr Poulter: To ask the Secretary of State for Transport what steps she is taking to increase the availability of ultra low sulphur red diesel for off-road equipment.

Norman Baker: There is a functioning market for ultra low sulphur red diesel and we do not believe there should be any difficulties in obtaining supplies of it.

Greenhouse Gas Emissions

Maria Eagle: To ask the Secretary of State for Transport how many full-time equivalent staff in her Department are working on reducing transport’s contribution to UK greenhouse gas emissions.

Norman Baker: The twin objectives of creating growth and cutting carbon run through all the Department’s activities and to that extent, all officials work on carbon reduction.

Land Use

Zac Goldsmith: To ask the Secretary of State for Transport what recent research her Department has undertaken on the scale of indirect land use change.

Norman Baker: ILUC (indirect land use change) is the term used when production of biofuels on existing agricultural land results in the displacement of production on to previously uncultivated land. This is a particular concern where that land has either high carbon stocks, such as rainforest, or high biodiversity value. The Government believes that ILUC must be urgently addressed at a European level through the introduction of ‘ILUC factors’ (specific greenhouse gas defaults applied to biofuel types) into the Renewable Energy Directive and Fuel Quality Directive.

My officials have recently set up an expert working group consisting of stakeholders from industry, academia and NGOs to advise Government and appraise proposals for addressing ILUC. I have personally written to the European Commission on two occasions, highlighting the urgent need to finding a European agreed position which effectively addresses the impacts of ILUC.

The last piece of ILUC research published by the Department is ‘Regional level actions to avoid ILUC’ available at:

http://www.dft.gov.uk/publications/regional-level-actions-to-avoid-iluc

Large Goods Vehicles

Jason McCartney: To ask the Secretary of State for Transport what steps she is taking to prevent unsuitably large vehicles from using small local roads and lanes.
Norman Baker: Local highway authorities are responsible for managing their road networks. We have prescribed a new sign “Unsuitable for heavy goods vehicles” and given local highway authorities powers to reclassify roads for which they are responsible without having to obtain approval from the Department.

In March I hosted a satellite navigation summit of satnav companies and local authorities. An action from the summit was to improve communications links between the two sides, to enable councils to speedily and directly relay problems to mapping companies. Following the summit, a working group of participants is looking for ways to raise driver awareness of the importance of using the right satellite navigation product for their vehicle.

Manpower

Mr Redwood: To ask the Secretary of State for Transport how many full-time equivalent employees her Department employed in May 2010; and how many it employed at the latest period for which figures are available. [108166]

Norman Baker: The central Department and its seven executive agencies employed 18,174.18 full-time equivalent employees on 31 May 2010. Of these 1,960.52 were employed by the central Department.

The central Department and its seven executive agencies employed 16,641.66 full-time equivalent employees on 31 March 2012. Of these 1,627.24 were employed by the central Department.

Dr Whiteford: To ask the Secretary of State for Transport how many staff (a) her Department and (b) its agencies employs in each parliamentary constituency. [108683]

Norman Baker: The Central Department and its seven executive agencies do not hold the information in the format requested.

The answer could be provided in the requested format only at disproportionate costs. However a table has been placed in the Libraries of the House showing a breakdown of headcount by office location for the Central Department and its agencies.

Cathy Jamieson: To ask the Secretary of State for Transport how many staff employed by (a) her Department and (b) its agencies (i) are located and (ii) reside in Kilmarnock and Loudoun constituency. [109006]

Norman Baker: The Central Department and its seven Executive Agencies have a total of 10 staff located in offices in the Kilmarnock and Loudoun constituency. Of these none are employed by the Central Department.

We are unable to supply information regarding the number of staff who reside in the Kilmarnock and Loudoun constituency as the information is not held in the format requested and could only be provided at disproportionate cost.

Railway Stations: Kingston upon Thames

Zac Goldsmith: To ask the Secretary of State for Transport if she will assess the potential effects on female part-time workers of the re-zoning of overground train stations in Kingston and Surbiton. [107737]

Mrs Villiers: The Department has no plans to undertake such an assessment.

Railways: Radlett

Mrs Main: To ask the Secretary of State for Transport with reference to the answers of 30 April 2012, Official Report, column 543W, on aviation: Hertfordshire, if she will publish the minutes of her meeting with the Under-Secretary of State for Communities and Local Government. [106964]

Mrs Villiers: Information relating to internal discussion and advice is not normally disclosed.

Rolling Stock

Mr Kennedy: To ask the Secretary of State for Transport what progress has been made on the allocation of funding for the refurbishment of rail sleeper stock; and if she will make a statement. [108379]

Mrs Villiers: The Caledonian Sleeper services are specified and funded by Transport Scotland on behalf of the Scottish Government and funding for their refurbishment is not a matter for the Department for Transport.

Trade Unions

Priti Patel: To ask the Secretary of State for Transport how many trade union representatives in (a) her Department and (b) each of its non-department public bodies have faced disciplinary action for abusing paid facility time or public resources in each of the last five years.

Norman Baker: There have been no cases of disciplinary action against any trade union representatives for abuse of facility time over the course of the last five years.

Priti Patel: To ask the Secretary of State for Transport how many meetings have taken place between (a) her Department and (b) each of its non-departmental public bodies and trade union representatives utilising paid facility time in each of the last five years to discuss (i) collective bargaining, (ii) redundancies, (iii) negotiations relating to employment, pay and conditions and (iv) other trade union and industrial relations duties; and what the dates and times were of each meeting. [107332]

Norman Baker: The Department for Transport does not centrally hold records of meetings with trade union representatives.
Transport: Disability

Mr Evennett: To ask the Secretary of State for Transport if she will make an assessment of the adequacy of provisions for disabled access to transport in Bexleyheath and Crayford constituency; and if she will take steps to improve access. [108797]

Norman Baker: The Secretary of State has made no recent assessment of the adequacy of provisions for disabled access to transport in the London borough of Bexley.

The borough will benefit from the increase in the number of accessible buses and trains that are required by regulation. Bexleyheath and Crayford stations will benefit from Access for All mid-tier funding following successful bids for accessibility projects. I would invite my hon. Friend to contact the Mayor of London if he has a specific issue in mind concerning other elements on improved accessibility.

Affordable Housing: Bexley

Mr Evennett: To ask the Secretary of State for Communities and Local Government how many affordable homes have been (a) started and (b) completed in the London borough of Bexley since May 2010. [108798]

Andrew Stunell: There were 219 affordable homes started and 327 completed in the London borough of Bexley between April 2010 and September 2011, the latest period for which data are available, as reported in the Homes and Communities Agency’s six monthly National Housing Statistics. Data up to 31 March 2012 will be published by the Homes and Communities Agency on 12 June 2012.

These statistics only cover affordable housing that is delivered through the Homes and Communities Agency’s affordable housing programmes; affordable housing delivered outside these programmes is not included. Housing starts cover new builds start only while completions include both new build and acquisitions.

Total affordable completions, including those delivered outside the Homes and Communities Agency’s programmes are published annually in the Department’s Affordable Housing Supply statistics available on the Department’s website. http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/affordablehousingsupply/livetables/

Association of Residential Managing Agents

David Wright: To ask the Secretary of State for Communities and Local Government what discussions his Department has had with the Association of Residential Managing Agents on the regulation of the sector since May 2010. [108606]

Andrew Stunell: No discussions have taken place between this Department and the Association of Residential Managing Agents on the regulation of managing agents in the leasehold sector since May 2010.

Building Regulations

Justin Tomlinson: To ask the Secretary of State for Communities and Local Government how many homes have been completed to the 2010 standards (for part L) of the building regulations since those standards were introduced. [108708]

Andrew Stunell: The Department publishes statistics on the number of housing completions, and quarterly data on the average energy efficiency of new homes. But these figures do not specify which Part L standards new homes are built to, as when the building regulations are changed, transitional arrangements are included to avoid unreasonable disruption, meaning that for a period of time some new homes will continue to be built to the previous standards.

Carbon Emissions

Luciana Berger: To ask the Secretary of State for Communities and Local Government what his Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012. [108585]

Robert Neill: The Department for Communities and Local Government’s total carbon dioxide emissions are reported as part of the annual accounts returned to Treasury. For the financial year 2010-11 (April 1 2010 to March 31 2011) the Department emitted 51,804 tonnes of carbon dioxide equivalent emissions.

For the financial year 2011-12 (April 1 2011 to March 31 2012) the Department emitted 43,001 tonnes of carbon dioxide equivalent emissions.

The above emissions values include official UK business travel, and emissions from buildings occupied by the Department and those arm’s length bodies included in its Greening Government reporting commitments. In 2010-11, the DCLG Group participated in the Prime Minister’s 10% carbon commitment to reduce office carbon emissions by 10% over 12 months. During this period, the Department cut its emissions by 4,129 tonnes CO₂, equivalent to an 18.6% reduction.

Luciana Berger: To ask the Secretary of State for Communities and Local Government what measures his Department introduced to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012. [108586]

Robert Neill: The Department for Communities and Local Government introduced the following measures to reduce its carbon emissions in 2010, 2011 and 2012:

Key measures introduced in 2010 included:
- Installing high efficiency lighting, and lighting controls;
- Reducing operating hours of major plant and equipment;
- Reconfiguring air conditioning systems to use cool air from outside rather than using refrigerant gases;
- Regular fine tuning of Building Management Systems;
- Upgrading telephony systems;
- Estate rationalisation;
- Installing window film to reduce solar gain;
- Fitting power stand-by switch-off devices;
- Reducing number of printers and fax machines;
Switching off all non-essential lighting;
Fitting motor and fan control efficiency devices;
Securing Board-level support for carbon reduction activity and including in selected personal objectives;
Running staff awareness campaigns including switch-off messaging, Carbon Fairs, and Environmental Champions networks.

Key measures in 2011 included:
Fitting boiler optimiser controls;
Optimising voltage supply settings;
Ensuring temperatures set points for general office space and server rooms were aligned with best practice (including incorporating "dead bands");
Installing additional automated meter reading devices across the estate;
Monitoring and targeting unusual energy use from data generated by automated meter reading devices;
ICT server rationalisation activity;
Estate rationalisation and co-location;
Publishing an annual Sustainability Report, helping to raise Department-wide profile of carbon reduction activity;
Fitting timers to equipment not controlled by a building management system.

Key measures in 2012 to date include:
Improving control of energy consumption (e.g. using automatic meter readings and building management systems to target consumption in specific areas);
Carrying out regular walk-around audits;
Replacing printers, photocopiers and scanners with multi-function devices;
Shutting down buildings even more effectively during unoccupied periods.

Environmental audits are planned across our estate to identify further measures to reduce our emissions.

Consultants

Mr Thomas: To ask the Secretary of State for Communities and Local Government how much his Department spent on external consultants, including management consultants, in (a) 2010-11 and (b) 2011-12; and if he will make a statement.

Robert Neill: The Department has spent in total £13.8 million in 2010-11 and £4.3 million in 2011-12 on external consultants excluding agency staff and interim labour as defined by the Cabinet Office.

A significant proportion of the 2010-11 expenditure relates to contractual arrangements put in place by the last Administration. This includes the FiReControl control contract (in relation to PA Consulting) which has been cancelled by the new Administration.

Also since 24 May 2010, the Department has drastically reduced its spend on consultancy. This has been achieved through contract renegotiations, terminations and adherence to Cabinet Office controls on consultancy spending.

By contrast, in 2008-09 the Department spent £41.5 million on consultancy and in 2009-10 the Department spent £36.6 million.

Local Government: Intellectual Property

Jonathan Edwards: To ask the Secretary of State for Communities and Local Government whether the list of assets of community value maintained by local authorities under the Localism Act 2011 may include assets which are intangible or are intellectual property closely associated with the community.

Andrew Stunell: No. The Assets of Community Value provisions give communities a right to nominate a building or other land which is of importance to their community’s social well-being or social interests for listing as an asset of community value.

Lost Property

Mr Thomas: To ask the Secretary of State for Communities and Local Government how many items of equipment valued at £10,000 or more his Department lost in (a) 2010-11 and (b) 2011-12; and if he will make a statement.

Robert Neill: No items of departmental equipment valued at £10,000 or more were lost in the years (a) 2010-11 or (b) 2011-12.

BUSINESS, INNOVATION AND SKILLS

Apprentices

Mr Marcus Jones: To ask the Secretary of State for Business, Innovation and Skills how many young people started an apprenticeship in (a) England and (b) Nuneaton constituency in the last 12 months.

Mr Hayes: The following table shows the number of apprenticeship programme starts aged under 19 in Nuneaton parliamentary constituency and England in the 2010/11 academic year, the latest full year for which final data are available.

<table>
<thead>
<tr>
<th>Apprenticeship programme starts by learners aged under 19 by geography: 2010/11</th>
<th>2010/11 full year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuneaton constituency</td>
<td>230</td>
</tr>
<tr>
<td>England total</td>
<td>131,700</td>
</tr>
</tbody>
</table>

Notes:
1. The constituency figure is rounded to the nearest 10; the England total is rounded to the nearest 100.
2. Age is based on age at the start of the programme. These figures include a small number of under 16-year-olds.
3. Geography is based upon the home postcode of the learner. The England total includes some postcodes which are not known. Geographic information is based on boundaries of regions as of May 2010.

Source: Individualised Learner Record

Information on the number of apprenticeship starts by age is published in a quarterly Statistical First Release (SFR). The latest SFR was published on 29 March 2012:

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current

Arms Trade: Indonesia

Jeremy Corbyn: To ask the Secretary of State for Business, Innovation and Skills whether the UK Trade and Investment Defence and Security Organisation is promoting the export to Indonesia of (a) Eurofighter Typhoons and (b) the Airbus Military A400M; and if he will make a statement.

[109049]
Mr Prisk: United Kingdom Trade and Investment Defence and Security Organisation has not been involved in promoting either Typhoon or A400M to Indonesia.

Conservative Party and Liberal Democrats

Mrs Hodgson: To ask the Secretary of State for Business, Innovation and Skills (1) what the (a) job title and (b) pay band was of each official, excluding special advisers, recruited by his Department since May 2010 who was previously employed in any capacity by the (i) Conservative Party or its elected representatives and (ii) Liberal Democrat Party or its elected representatives; and whether their position was advertised publicly; [107108]

(2) what the (a) job title and (b) pay band was of each official, excluding special advisers, recruited by his Department since May 2010 who previously held an elected position as a member of the (i) Conservative Party and (ii) Liberal Democrat Party; and whether their position was advertised publicly. [107109]

Norman Lamb: To collect any such information would require a search of all HR records which would involve disproportionate costs.

Environmental Protection

Chris Ruane: To ask the Secretary of State for Business, Innovation and Skills what assessment he has made of the UK’s level of green growth between 2010 and 2012; and how this compares to other countries. [108889]

Mr Prisk: The Government has made no estimates of the level of green growth in the UK between 2010 and 2012. However independent research undertaken by K-Matrix and commissioned by the Department for Business, Innovation and Skills estimates the global and national turnover of the Low Carbon and Environmental Goods and Services market including forecasts. The most recent publication is for the 2009/10 financial year and includes forecasts up to 2015/16.

According to K-Matrix, estimated turnover in the UK Low Carbon and Environmental Goods and Services sector was almost £116.8 billion in 2009/10. Turnover increased by 4.3% between 2008/09 and 2009/10. Furthermore, growth for 2010/11 and 2011/12 is forecast to be 4.8% and 5% respectively.

The UK is sixth globally in terms of turnover in the LCEGS sector behind China, USA, India, Japan and Germany. France and Brazil place 7th and 8th respectively behind the UK. K-Matrix’s 2009/10 turnover estimates for the top 10 countries are in the following table along with the percentage that turnover increased between 2008/09 and 2009/10.

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated turnover 2009/10 (£ million)</th>
<th>Growth between 2008/09 and 2009/10 (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>629,303</td>
<td>-0.5</td>
</tr>
<tr>
<td>China</td>
<td>426,610</td>
<td>1.8</td>
</tr>
<tr>
<td>India</td>
<td>199,115</td>
<td>2.6</td>
</tr>
<tr>
<td>Japan</td>
<td>197,816</td>
<td>0.2</td>
</tr>
<tr>
<td>Germany</td>
<td>135,677</td>
<td>3</td>
</tr>
<tr>
<td>UK</td>
<td>116,780</td>
<td>4.3</td>
</tr>
<tr>
<td>France</td>
<td>98,228</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Global growth forecasts for 2010/11 and 2011/12 for the LCEGS sector are 3.7% in each year.

Data for 2010/11 is due to be published later this week which will allow an assessment of how much the UK Low Carbon and Environmental Goods and Services market has grown between 2009/10 and 2010/11 as well as updated growth forecasts.

Higher Education

Shabana Mahmood: To ask the Secretary of State for Business, Innovation and Skills when he plans to publish his response to the consultation on the Higher Education White Paper. [108739]

Mr Willetts: The consultation on the Higher Education White Paper, “Students at the Heart of the System” closed on 20 September. Over 200 responses were received and in addition comments were posted on the consultation website and on a Student Room discussion forum.

The Department also published a technical consultation document on 4 August, “A new fit for purpose regulatory framework for the higher education sector”. Over 150 responses were received.

We intend to publish a response shortly, which will include a list of respondents and a summary of responses for each of the consultations.

Higher Education: Libraries

Oliver Colvile: To ask the Secretary of State for Business, Innovation and Skills how many university libraries make use of licences granted by publishers to allow walk-in users to access material. [107903]

Mr Willetts: This information is not available centrally.

Insolvency Service: Stockton On Tees

Ian Swales: To ask the Secretary of State for Business, Innovation and Skills what estimate has been made of the potential savings which would arise from the closure of the Stockton on Tees Insolvency Service. [108266]

Norman Lamb [holding answer 21 May 2012]: There are various costs associated with maintaining an Insolvency Service office in Stockton on Tees, including rent, rates, landlord charges and utilities. The costs associated with the current accommodation occupied by the Insolvency Service in Stockton, currently amounts to £160,000 a year.

Any estimate of the net savings would be dependant upon decisions individual staff may take should a decision be made to close the office, including transferring to the nearest office, relocation or taking an exit scheme. Taking account of all other costs and benefits, and an assumption that 40% of staff would seek an exit scheme rather than relocation, a total estimate of net savings over a five year period would be in the region of £505,000.
Ian Swales: To ask the Secretary of State for Business, Innovation and Skills what cost-benefit assessment has been made of the potential efficiency gains arising from closing the Stockton on Tees Insolvency Service against the standard of service provided.  

Norman Lamb [holding answer 21 May 2012]: It is not expected that the closure of the Insolvency Service office in Stockton upon Tees will in itself lead to significant efficiency gains. However, on the assumption that 40% of staff would seek an exit scheme rather than relocation, the potential closure of this office does produce estimated cost savings in the region of £505,000 over a five year period (as set out in answer to PQ 108266).

The impact of the potential closure on the standard of service provided is set out in the consultation document issued in March 2012 and this is something on which the consultation seeks stakeholder views. A copy of the consultation can be found in the Libraries of the House.

Ian Swales: To ask the Secretary of State for Business, Innovation and Skills what calculations were made to arrive at the costs of office accommodation for the Stockton on Tees Insolvency Service in the March 2012 report.

Norman Lamb [holding answer 21 May 2012]: An estimated calculation for the costs and savings associated with a potential closure of the Insolvency Service office in Stockton on Tees, was arrived at by using the actual costs to the Insolvency Service of occupying the current accommodation in Stockton on Tees, together with an estimate of providing future accommodation in Stockton beyond the existing lease break.

The total cost of providing new accommodation in Stockton upon Tees, (not including local relocation costs) is estimated at £667,000 over a five year period.

No decision has yet been made about the closure of the Stockton office and will only be made following a full assessment of responses to the consultation.

Lola Group

Richard Burden: To ask the Secretary of State for Business, Innovation and Skills what recent discussions he has had with Lola Group of companies on the future prospects for UK performance engineering.

Mr Prisk: I have had no recent discussions with Lola Group although I spoke briefly to the company at the motorsport exhibition hosted by this Department on 21 February 2012.

Manpower

Mr Redwood: To ask the Secretary of State for Business, Innovation and Skills how many full-time equivalent employees have (a) left and (b) been recruited to his Department in the last two years.

Norman Lamb: The table shows how many full-time equivalent employees have (a) left and (b) been recruited to the Department for Business, Innovation and Skills in the last two years.

<table>
<thead>
<tr>
<th></th>
<th>April 2010 to March 2011</th>
<th>April 2011 to March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leavers</td>
<td>723</td>
<td>519</td>
</tr>
<tr>
<td>Joiners</td>
<td>307</td>
<td>372</td>
</tr>
</tbody>
</table>

Midland Main Railway Line

Mr Hollobone: To ask the Secretary of State for Business, Innovation and Skills what discussions he has had with the Department for Transport on the economic effects of the upgrade and electrification of the Midland Main Line.

Mr Prisk [holding answer 21 May 2012]: The Secretary of State for Business, Innovation and Skills, the right hon. Member for Twickenham (Vince Cable) has not had discussions with the Department of Transport on the economic effects of the upgrade and electrification of the Midland Main Line.

Motor Vehicles: Manufacturing Industries

Andrew Jones: To ask the Secretary of State for Business, Innovation and Skills what recent assessment his Department has made of the competitive strength of the automotive sector.

Mr Prisk: The announcement on 17 May that GM will invest £125 million to build the next generation Astra at Ellesmere Port—creating 700 direct jobs and 3,000 in the supply chain—is excellent news. It safeguards 2,000 jobs and secures car production at Ellesmere Port until at least 2020. It shows that GM is now committed to the UK for the long-term like other global vehicle manufacturers such as Nissan, Jaguar Land Rover, Ford, Honda, Toyota and BMW. It is testament to the strength of the UK automotive sector which has seen investment of over £4 billion over the last 18 months.

We continue to work closely with the automotive industry, including through the Automotive Council, on strategies for sustainable growth of the sector and its supply chain.

Non-departmental Public Bodies

Mr Andrew Turner: To ask the Secretary of State for Business, Innovation and Skills how many quangos his Department has (a) abolished and (b) established since May 2010.

Mr Prisk: The Department for Business, Innovation and Skills (BIS) has abolished seven non-departmental public bodies (NDPBs) since May 2010. BIS has reconstituted a further two bodies as independent charities and these are no longer NDPBs. The Department has established one NDPB since May 2010.

Postgraduate Education

Shabana Mahmood: To ask the Secretary of State for Business, Innovation and Skills what plans he has to review postgraduate education in the light of the (a) Smith review, (b) Browne review and (c) Higher Education White Paper.

The figures include UK Trade and Investment.
Mr Willetts: The Higher Education White Paper: ‘Students at the Heart of the System’ included discussions of postgraduate education. Government has taken steps to monitor developments in the postgraduate market as a result of changes in undergraduate tuition fees. Government has asked the Higher Education Funding Council for England (HEFCE) to review participation in postgraduate study, as part of a longer term assessment and evaluation of the impact of funding changes.

Prisoners: Literacy

Mr Jim Cunningham: To ask the Secretary of State for Business, Innovation and Skills what plans the Government has to improve the level of literacy in the prison population.

Mr Hayes: I refer the hon. Member to the answer given by the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt), on 15 May 2012, Official Report, column 403.

“Making Prisons Work: Skills for Rehabilitation”, which I launched last year, sets out the new strategy for offender learning that we are now implementing. The strategy is based on responses to a call for evidence and addresses shortcomings in literacy provision that Ofsted has identified. The strategy introduces a decisive shift to local decision-making and places a significant emphasis on skills delivery that meets the needs of employers in the areas to which offenders will be released.

I am confident that prison governors know the importance employers place on literacy, and their devolved commissioning role enables them, working in close partnership with the Skills Funding Agency, to make sure prisoners’ literacy needs, as well as their numeracy and vocational skills needs, are met.

Procurement

Michael Dugher: To ask the Secretary of State for Business, Innovation and Skills what proportion of payments made by his Department to small and medium-sized enterprises have been paid late since May 2010.

Norman Lamb: The Department publishes details of its invoice payment performance against the five working day target on its website at: http://www.bis.gov.uk/about/procurement/prompt-payment/bis-payment-performance

For ease, the following table shows the percentage of invoices paid by the Department within five working days of receipt since May 2010. The Department does not differentiate between small, medium and large suppliers as many small and medium-sized suppliers can be found in tier 2 or tier 3 of the overall supply chain.

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Michael Dugher: To ask the Secretary of State for Business, Innovation and Skills what proportion of his Department’s expenditure on procurement has gone to small and medium-sized enterprises since May 2010.

Norman Lamb: BIS’ spend with small and medium-sized enterprises (SMEs) has been reported in the Cabinet Office report, Making Government business more accessible to SMEs—One Year On: www.cabinetoffice.gov.uk/resource-library/making-government-business-more-accessible-smes-one-year

Michael Dugher: To ask the Secretary of State for Business, Innovation and Skills when his Department next expects to undertake a spend recovery audit to identify overpayments to suppliers caused by fraud or error.

Norman Lamb: The Department is considering using spend analysis tools that have been recently made available to the Department via the Research Councils (UK) Shared Service Centre. Work on this project is ongoing and it is expected that the first audit will take place before the end of 2012.

Regional Growth Fund

Andrew Stephenson: To ask the Secretary of State for Business, Innovation and Skills what progress has been made on the latest round of the Regional Growth Fund; and what steps he is taking to encourage organisations in Pendle and the North West to apply.

Mr Prisk: The third Regional Growth Fund (RGF) bidding round opened on 23 February and will close on 13 June.

To help potential bidders, the RGF team has held a series of events around the country; there have been 14 events to date including a recent event in Liverpool on 15 May attended by my noble Friend Lord Heseltine. In addition, bidders have the opportunity to discuss their project by way of expression of interest meetings. These are one to one meetings where interested firms
meet officials in the RGF Secretariat to obtain feedback on a draft application. So far 312 expression of interest meetings have been nationally.

**Students: Employment**

Shabana Mahmood: To ask the Secretary of State for Business, Innovation and Skills what steps he is taking to promote the economic and social benefits of employing postgraduate students to (a) private sector and (b) public sector organisations.

Mr Willetts: The Department of Business, Innovation and Skills funded Research Councils work with the Higher Education Statistics Agency (HESA) to capture the destinations of doctoral students (which is published by Vitae in the ‘What do Researchers Do?’ series). The Research Councils are currently undertaking longitudinal studies to help determine the impact of doctoral training in the economy. This information is disseminated to universities and other employers.

Over 50% of the nearly 12,000 UK and EU domiciled doctoral graduates produced each year will move from higher education, taking their skills into the wider economy. The Research Councils seek to ensure that this supply of highly trained people meets the need for specialist postgraduate research skills in a wide range of employment sectors. Doctoral students have increased opportunities to develop transferable skills, Collaborative Awards in Science and Engineering (CASE) studentships and other forms of collaborative studentships such as the Engineering Doctorate enable many students to spend time working directly with a company.

**Students: Finance**

Gordon Banks: To ask the Secretary of State for Business, Innovation and Skills whether the Skills Funding Agency has registered any courses in close protection as appropriate for professional career development loans.

Mr Willetts: The information requested is not available. The Higher Education Statistics Agency (HESA) student record has information on the number of students who leave university for ‘health reasons’ but does not specify the type of health problem.

**FOREIGN AND COMMONWEALTH OFFICE**

China

Mr MacShane: To ask the Secretary of State for Foreign and Commonwealth Affairs whether the Minister of State was informed of the death of Mr Neil Heywood on 15 November 2011 prior to or after his meeting with Bo Xilai on 16 November 2011.

Mr Jeremy Browne: I met Bo Xilai on 16 November 2011, before consular officials learned of Mr Heywood’s death. As the Secretary of State for Foreign and Commonwealth Affairs, the right hon. Member for Richmond (Yorks) (Mr Hague), said in his statement on 17 April 2012, *Official Report*, columns 17-18WS, Ministers were first informed of the case of Mr Heywood’s death on 7 February 2012.

Egypt: Israel

Mr Gregory Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will hold discussions with his Egyptian and Israeli counterparts on the dispute over a 20-year gas contract between those countries.

Alistair Burt: On 22 April, Egyptian energy company EGAS announced that it had unilaterally cancelled its contract to supply gas to East Mediterranean Gas, a joint Israeli/Egypt gas company supplying gas to Israel. We understand that the parties are in contact to resolve this issue, but this is a commercial matter in which the UK is not involved.

Israel

Mr Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Israeli government on progress in the peace process.

Alistair Burt: We have regular discussions with the Israeli Government on the Middle East Peace Process.

Most recently the Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Richmond (Yorks) (Mr Hague), spoke to the new Israeli Vice Prime Minister Shaul Mofaz on 11 May and encouraged him to use the formation of the new Israeli Government coalition to launch a positive and decisive move on the peace process.

The Secretary of State and I raised this issue during our respective meetings in the past month with the Israeli National Security Adviser and the Israeli ambassador to London. Our ambassador to Israel also regularly discusses this issue with senior Israeli Ministers and officials.

Mr Bradshaw: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for the UK to institute a total ban on settlement trade.

Alistair Burt: Our position on Israeli settlements in the Occupied Palestinian Territories is clear: they are illegal under international law, an obstacle to peace and
make a two-state solution, with Jerusalem as a shared capital, harder to achieve. We constantly urge the Israeli authorities to cease all settlement activity.

Settlement produce and financing are kept under active consideration. We understand the concerns of people who do not wish to purchase goods exported from Israeli settlements in the Occupied Palestinian Territories. In order to enable consumers to make a more fully informed decision concerning the products they buy, the UK introduced, in December 2009, voluntary guidelines to enable produce from Israeli settlements in the Occupied Territories to be specifically labelled as such. We are in discussion with EU partners who are considering introducing similar provisions in other EU countries. However, there is no specific proposal to institute a total ban on settlement trade.

Mr Bradshaw: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his EU counterparts on ensuring goods, services and products from illegal Israeli settlements are excluded from EU and member state procurement.

Alistair Burt: Our position on Israeli settlements in the Occupied Palestinian Territories is clear: they are illegal under international law, an obstacle to peace and make a two-state solution, with Jerusalem as a shared capital, harder to achieve. We constantly urge the Israeli authorities to cease all settlement activity.

The Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Richmond (Yorks) (Mr Hague), and I have regular discussions with our EU counterparts on these issues. The EU Foreign Affairs Council most recently discussed issues relating to the Middle East Peace Process, including settlements, on 14 May. In the meeting’s Conclusions, the EU and its member states:

“reaffirmed their commitment to fully and effectively implement existing EU legislation and the bilateral arrangements applicable to settlement products. The Council underlines the importance of the work being carried out together with the Commission in this regard.”

Full text of the Conclusions may be found at:

We regularly discuss with EU partners our assessment of Israeli settlement activity. There is currently no specific proposal for excluding goods, services and products from settlements from EU and member state procurement.

Middle East

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs with reference to the answer of 23 April 2012, Official Report, columns 752-3W, on the Arab Partnership fund, what projects will be funded through the Arab Partnership fund in the Occupied Palestinian Territories in 2012-13.

Alistair Burt: For the financial year 2012-13, the Arab Partnership Participation Fund has so far agreed to provide a total of £30,000 in the Occupied Palestinian Territories, to support greater political participation by young people, through the following three pilot projects:

(i) Support to the Youth Local Council, to build leadership, democracy and good governance skills of young people through their direct engagement with electoral processes and understanding of concepts of democratic participation and citizenship;
(ii) ‘Yes we can’ Youth Forum to empower Palestinian Youth and increase their participation in public life through leadership and advocacy training, (especially in the “seam” area of Jerusalem between the green line and the security barrier);
(iii) the ‘Youth to Lead’ initiative, to stimulate the engagement of young people in creative forms of self-expression and participation, with a focus on social media.

Procurement

Michael Dugher: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of payments made by his Department to small and medium-sized enterprises have been paid late since May 2010.

Mr Lidington: Between May 2010 and April 2012 the Foreign and Commonwealth Office (FCO) paid 97.1% of valid supplier invoices within 30 days, as per standard terms.

Information on the size of the FCO’s suppliers is not held centrally so the identification of invoices from small and medium-sized enterprises could be provided only at disproportionate cost.

Michael Dugher: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of his Department’s expenditure on procurement has gone to small and medium-sized enterprises since May 2010.

Mr Lidington: The Foreign and Commonwealth Office spend with small and medium enterprises (SMEs) has been reported in the Cabinet Office report ’Making Government business more accessible to SMEs—One Year On’:

Michael Dugher: To ask the Secretary of State for Foreign and Commonwealth Affairs when his Department next expects to undertake a spend recovery audit to identify overpayments to suppliers caused by fraud or error.

Mr Lidington: The Foreign and Commonwealth Office are currently in the process of arranging for a spend recovery audit to be carried out with a focus on UK based suppliers. The exact timing will be agreed with the service provider.

Sri Lanka

Mr Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps his Department is taking to help facilitate the conciliation process between the different parties in Sri Lanka.

Alistair Burt: The British Government believes that reconciliation and lasting peace in Sri Lanka can best be achieved through an inclusive political solution that addresses the underlying causes of the conflict and takes into account the legitimate grievances and aspirations of all Sri Lanka’s communities.
We pressed for and welcome the Sri Lanka resolution agreed at the UN Human Rights Council in March. The resolution underlines the importance that governments across the world attach to supporting lasting peace and reconciliation in Sri Lanka. We urge the Sri Lankan Government to take the necessary steps to implement the recommendations of their Lessons Learnt and Reconciliation Commission as soon as possible and report to the Human Rights Council on steps taken and plans to ensure comprehensive implementation.

With international partners, we will be pressing Sri Lanka to make early and sustained advances. We will use opportunities, including Sri Lanka’s Universal Periodic Review in October, to assess progress.

**State Visits: Olympic Games 2012**

**Mr MacShane:** To ask the Secretary of State for Foreign and Commonwealth Affairs what his policy is on the banning of serious violators of human rights including heads of government and Ministers from entry to the UK during the London 2012 Olympic Games.

**Mr Jeremy Browne:** All international visitors applying to enter the United Kingdom for the London 2012 Olympic and Paralympic Games are subject to the UK’s immigration controls. Anyone who is currently subject to an EU or UN travel ban will not be able to come to the Games. In addition, entry will be refused where an individual’s presence at the Games or in the UK would not be conducive to the public good. Where there is independent, reliable and credible evidence that an individual has committed human rights abuses, the individual will not normally be permitted to enter the UK. Further to this we will not comment on individual cases.

**Mission for the Referendum in Western Sahara**

**Mr Mark Williams:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will request the UN Mission for the Referendum in Western Sahara (MINURSO) (a) to provide an explanation of why the Military Agreement No. 1 and Map No. A4-010 (deployment of MINURSO), have been removed from the MINURSO website and (b) to indicate where this information can now be obtained.

**Alistair Burt:** I understand that these documents were included in the Mission’s old website but were not uploaded when it was redesigned. And Map No. A4-010 is out of date as the Mission now has an additional Liaison Office in Dakhla.

Foreign and Commonwealth Office officials are liaising with the Mission to see where these documents can now be obtained publicly, with a view to placing copies in the House of Commons Library.

**Western Sahara**

**Katy Clark:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will ask HM Ambassador to Morocco to raise with the Moroccan authorities allegations of torture in the cases of Atiqu Barrai, Kamal Al Tarayh, Abd Al Aziz Barrai, Al Majjoub Awlad Al Cheih, Mohamed Manolo and Hasna Al Wali who are members of Western Sahara Organisation Against Torture.

**Alistair Burt:** The British Government takes seriously all allegations of torture and we are encouraging Morocco to take steps to address this type of allegation. We have welcomed Morocco’s decision to ratify the Optional Protocol on the Convention Against Torture and encouraged Morocco to implement fully the recommendations of the 2011 UN Committee Against Torture. We are also looking forward to the visit to Morocco and Western Sahara of the UN Special Rapporteur for Torture.

**DEPUTY PRIME MINISTER**

**Overseas Citizens: Franchise**

10. **Iain Stewart:** To ask the Deputy Prime Minister what plans he has to review the franchise for British citizens living overseas.

11. **Mr Allen:** To ask the Deputy Prime Minister what recent assessment he has made of the effect on the social mobility of poorer children of the work of the ministerial group on the Government’s social mobility strategy.

**The Deputy Prime Minister:** Today the Government has published a full update on the progress we have made in the last year and the indicators that we have developed to measure social mobility across each life stage, as outlined in the Social Mobility Strategy published last April.

Since the publication of “Opening Doors, Breaking Barriers: A Strategy for Social Mobility”, we have also made significant progress on the other key policies we announced:

The Government has continued to demonstrate its firm commitment to early intervention as demonstrated by the doubling of the entitlement to free, high quality child care for two-year-olds so that around 40% of all two-year-olds will be entitled to 15 hours of free early education a week by 2014-15.

Schools will be able to target pupil premium money for disadvantaged children and young people in ways they deem fit to narrow the attainment gap. This could include catch-up lessons, one-to-one tuition or after school clubs. Funding for the pupil premium is increasing from £625 million in 2011-12 to £1.25 billion in 2012-13 to £2.5 billion by 2014-15.

We have invested £1 billion in the Youth Contract, which was launched in April this year, in order to get young unemployed people earning or learning before the scarring effect of long-term unemployment takes hold. 18 to 24-year-olds are now able to access more work experience places, apprenticeships and one-to-one time with advisers. Employers can tap into 160,000 wage incentives worth up to £2,275 for each long-term unemployed person they take on. £126 million has also been set aside to help 55,000 16 and 17-year-old NEETS get back into education, apprenticeships or jobs with training.
West Lothian Question

12. Charlie Elphicke: To ask the Deputy Prime Minister what recent assessment he has made of progress towards resolving the West Lothian question.

[108472]

Mr Harper: The Government has set up a Commission on the Consequences of Devolution for the House of Commons.

The Commission is considering how the House of Commons might deal with legislation which affects only part of the United Kingdom, as a result of devolution.

The Commission expects to report during the current Session.

Social Mobility

13. Eric Ollerenshaw: To ask the Deputy Prime Minister what steps he has taken to improve social mobility.

[108473]

The Deputy Prime Minister: The Government has today published a full update on progress against the indicators for social mobility across all life stages, outlined in "Opening Doors, Breaking Barriers: A Strategy for Social Mobility" last April.

As well as taking action in the early years and at school, we also need to follow through to adulthood. We want to ensure we are doing everything possible to widen participation at university and access to the professions.

That is why, for example, we have asked Higher Education Funding Council England and Office for Fair Access to work together, with government, to consider how we maximise the impact of the investment we are making in widening participation.

The Government looks forward to forthcoming reports from Alan Milburn on access to the professions and widening participation in higher education. The newly formed Social Mobility and Child Poverty Commission will hold the Government to account on the progress it makes in these key areas.

Lobbying Industry

14. Debbie Abrahams: To ask the Deputy Prime Minister what plans he has to bring forward proposals on the regulation of the lobbying industry.

[108474]

Mr Harper: I refer the hon. Member to the answer I gave the hon. Member for Ogmore (Huw Irranca-Davies), the hon. Member for Bolton North East (Mr Crausby), and the right hon. Member for East Ham (Stephen Timms), at oral questions earlier today.

Electoral Register

Bill Esterson: To ask the Deputy Prime Minister whether he has given consideration to introducing a civil penalty for non-compliance with the request of an electoral registration officer to supply information necessary to compile an accurate electoral register.

[108460]

Mr Harper: The Electoral Registration and Administration Bill that was introduced into this House on 10 May will enable electoral registration officers to issue a civil penalty to individuals who, when required to make an application, fail to do so.

There will be safeguards in place to ensure that only those who refuse repeated invitations can be fined, and registration officers will have to take specific steps to encourage an application before they can issue a fine.

We expect the number of fines levied to be similar to the number of prosecutions for failing to respond to the canvass under the current system. This will provide strong encouragement for people to do their civic duty and register to vote.

Mr Hollobone: To ask the Deputy Prime Minister if he will bring forward legislative proposals in the Electoral Registration and Administration Bill to encourage people to join the electoral roll and to penalise those who do not.

[108533]

Mr Harper: The Electoral Registration and Administration Bill that was introduced into the House of Commons on 10 May will enable electoral registration officers to issue a civil penalty to individuals who, when required to make an application, fail to do so.

There will be safeguards in place to ensure that only those who refuse repeated invitations can be fined, and registration officers will have to take specific steps to encourage an application before they can issue a fine, but this will provide strong encouragement for people to do their civic duty and register to vote.

Electoral Turnout

Nick de Bois: To ask the Deputy Prime Minister what steps he plans to take to encourage a higher turnout at (a) general and (b) local elections; and if he will make a statement.

[108222]

Mr Harper: The Government is committed to encouraging democratic participation by all sections of society, and through its programme of political and constitutional reform, it is seeking to re-engage individuals and their communities in the political process.

For example the Electoral Registration and Administration Bill currently before Parliament includes a number of provisions to improve the elections process, which will support the participation of overseas and service voters in UK elections and facilitate online registration.

Increasing democratic engagement is not solely the responsibility of Government. Electoral registration officers appointed by, but independent of, local authorities have a duty to encourage participation in the electoral process and the Electoral Commission promotes public awareness of registration. Parliamentarians and elected officials from each of the political parties must also provide people with compelling reasons to vote.

Risk Assessment

Mr Thomas: To ask the Deputy Prime Minister what strategic or transitional risk registers in each area of policy are held by his Office; and if he will make a statement.

[107464]
Mr Maude: I have been asked to reply on behalf of the Cabinet Office.

Within the Cabinet Office each business group is accountable for managing their own risks and are responsible for both maintaining their associated risk registers and ensuring that their business plans and all projects, programmes or activities which deliver departmental strategic or corporate objectives, include the review of associated risks and that any mitigating actions are implemented.

Risk registers are kept and maintained as is appropriate, at working level. A list of all risk registers used within the Department and its NDPBs is not held centrally.

Weekend Voting

Nick de Bois: To ask the Deputy Prime Minister what representations he has received on proposals for introducing voting at weekends for (a) general and (b) local elections; and if he will make a statement.

Mr Harper: Records show that 14 representations were received by the Cabinet Office on proposals for introducing voting at weekends. From these representations, I am aware that there are those who argue that moving voting to the weekend would be more convenient though there are others who have argued that it could lead to a reduction in turnout, as people value their weekend time, and an increase in costs.

The Government has no current plans for moving polling day for either general or local elections to the weekend but will keep under review ways in which the democratic process can be enhanced.

TREASURY

Climate Change: Developing Countries

Zac Goldsmith: To ask the Chancellor of the Exchequer what agreements were reached on Fast Start Finance at the Economic and Financial Affairs Council meeting on 15 May 2012.

Miss Chloe Smith: The ‘Council conclusions on Climate Finance—Fast Start Finance’ agreed at the Economic and Financial Affairs Council meeting on 15 May 2012 are available at:


Drugs: Crime

Mr Iain Wright: To ask the Chancellor of the Exchequer what (a) financial and (b) other incentives his Department offers to police forces to target (i) drug dealing and (ii) drug offences; and if he will make a statement.

Nick Herbert: I have been asked to reply on behalf of the Ministry of Justice.

Targeting of police resources is a matter for police forces and their police authorities. From November 2012 Police and Crime Commissioners will hold the police to account locally.

Equitable Life

Fabian Hamilton: To ask the Chancellor of the Exchequer what progress has been made on the distribution of compensation to Equitable Life policyholders;

(2) if he will publish the reports given to the Government on the distribution of compensation to Equitable Life policyholders.

Mr Hoban: The scheme intends to publish a progress report in summer 2012 on the volumes and values of payments made.

Fabian Hamilton: To ask the Chancellor of the Exchequer if he will ensure that letters sent to Equitable Life policyholders about their compensation will be easily understandable to those policyholders and show how their compensation has been calculated.

Mr Hoban: All the letters sent include a statement that clearly sets out a simplified version of the payment calculation. The scheme continues to receive very low levels of queries about those statements.

Fabian Hamilton: To ask the Chancellor of the Exchequer if he will publish an explanation in plain language of how the calculations for compensation for Equitable Life policyholders were made and detailing what parameters were used.

Mr Hoban: In May 2011 the scheme published the ‘Equitable Life Payment Scheme Design’, which sets out both a high level explanation and a more detailed technical description of the payment calculation.

This document is available at

http://equitablelifepaymentscheme.independent.gov.uk/resources/index.htm

Fabian Hamilton: To ask the Chancellor of the Exchequer whether all Equitable Life policyholders eligible for compensation will receive their compensation by June 2012.

Mr Hoban: In accordance with the Government’s announcement at the 2010 spending review, and the rules set out in the ‘Equitable Life Payment Scheme Design’ document:

http://equitablelifepaymentscheme.independent.gov.uk/resources/index.htm

payments to non-with profit annuitants will be spread over three years until April 2014, and payments to with-profits annuitants will continue for the duration of their annuity.

EU Economic and Financial Affairs Council

Mr Tyrie: To ask the Chancellor of the Exchequer at what proportion of ECOFIN meetings the UK has been represented since May 2010; and at what proportion of such meetings the UK has been represented by (a) Ministers and (b) officials.

Mr Hoban: Since May 2010 an HM Treasury Minister has attended all ECOFIN meetings.
**Excise Duties: Gaming Machines**

Luciana Berger: To ask the Chancellor of the Exchequer what assessment he has made of the likely effect of the machine games duty on the (a) bingo and (b) bookmaking industry.  

Miss Chloe Smith: The assessment of the impact of machine games duty (MGD) on individuals and businesses is available in the relevant Tax Information and Impacts Note published at Budget 2012. This document is accessible online at the HMRC website:  


**Financial Services: Education**

Justin Tomlinson: To ask the Chancellor of the Exchequer what discussions he has had with the Money Advice Service on ensuring that young people have access to good quality personal finance education.  

Mr Hoban: Treasury Ministers have discussions with a wide variety of organisations in the public and private sectors. As was the case with previous Administrations, it is not the Government’s practice to provide details of all such discussions. The Money Advice Service is developing its role in financial education for young people as set out in its Money Advice business plan for 2012-13 which can be found at:  

http://www.moneysafetyservice.org.uk/about/corporateinformation/publications.aspx

Justin Tomlinson: To ask the Chancellor of the Exchequer if he will read the All-Party Parliamentary Group on Financial Education for Young People report on Financial Education and the Curriculum.  

Mr Hoban: As part of the policy making process Treasury Ministers and officials receive representations from a wide range of interested parties. The school curriculum is the responsibility of the Department for Education. Through the National Curriculum Review the Department for Education (DFE) is developing the new mathematics curriculum and is aware of the interest in personal finance being included in the programme of study. DFE’s review of Personal, Social, Health and Economic (PSHE) education will consider whether any aspects of PSHE such as personal financial education, should become statutory as part of the basic curriculum. Proposals from both reviews will be published later this year.

**Income Tax**

Cathy Jamieson: To ask the Chancellor of the Exchequer what recent estimate he has made of the number of people in Kilmarnock and Loudoun constituency who will move into the higher tax bracket as a result of changes to tax thresholds.  

Mr Gauke: Estimates of the number of individuals liable to higher rate income tax by country and region in tax years to 2012-13 are published on the HMRC website in Table 2.2 ‘Number of individual income taxpayers by marginal rate, gender and age, by country and region, 1999-2000 to 2012-13’:  

http://www.hmrc.gov.uk/stats/income_tax/table2-2.xls

These estimates are based on the Survey of Personal Incomes (SPI) outturn data up to 2009-10, and then 2009-10 SPI data projected in line with the Office for Budget Responsibility’s March 2012 Economic and fiscal outlook.

Reliable projections beyond the 2009-10 outturn are not available at the parliamentary constituency level, due to greater uncertainties in making projections for small geographical areas.

**Manpower**

Mr Redwood: To ask the Chancellor of the Exchequer how many full-time equivalent employees his Department employed in May 2010; and how many it employed at the latest period for which figures are available.  

Miss Chloe Smith: The number of full-time equivalents employed in HM Treasury as at 31 May 2010 was 1,363. The number of full-time equivalents employed as at 31 March 2012 was 1,178.

**National Insurance Contributions**

Cathy Jamieson: To ask the Chancellor of the Exchequer what recent estimate has been made of the number of businesses in (a) the UK, (b) Scotland and (c) Kilmarnock and Loudoun constituency which have participated in the national insurance holiday.  

Mr Gauke: HMRC has so far received around 16,000 applications for the NICs holiday across the UK, and around 2,300 applications in Scotland.

The most recent figure for Kilmarnock and Loudoun is 22 applications in the 2010-11 tax year, as set out in the factsheet laid in the House of Commons Library in November 2011. The factsheet provided a breakdown by constituency, information on the amounts claimed and jobs supported for the first tax year of the scheme. An update will be published later in the year after the claims for the 2011-12 tax year have been processed.

**Non-domestic Rates**

Mr Laurence Robertson: To ask the Chancellor of the Exchequer if he will extend the business rate relief scheme to 2015; and if he will make a statement.  

Mr Gauke: At the autumn statement, 29 November 2011, Official Report, columns 799-810, the Government extended the small business rate relief holiday for a further six months from 1 October 2012. The small business rate relief scheme provides targeted support and benefits over half a million small businesses. Of those, 330,000 receive 100% relief and will not have to pay any business rates until April 2013 as a result of the six month extension.

The Government keeps all taxes and reliefs under review. Any further business rates support needs to be balanced against the tough decisions needed to reduce the deficit.
The terms of the lease are commercially sensitive. However the total rent incurred by the bank over the 15-year life of the lease will be £80 million (excluding VAT). This is subject to the outcome of regular rent reviews. During the first five years the bank will benefit from a rent-free period.

Public Appointments

Rosie Cooper: To ask the Chancellor of the Exchequer how many appointments of people earning over (a) £142,500 per annum and (b) £142,500 per annum pro rata he approved between (i) April 2010 and March 2011 and (ii) April 2011 and December 2012; and how many such appointments were in respect of GPs working in clinical commissioning groups. [108825]

Danny Alexander: I refer the hon. Member to the answer given on 24 April 2012, Official Report, column 840W.

Public Sector Debt

Mr Tom Clarke: To ask the Chancellor of the Exchequer how much the Government plans to borrow up to 2015. [109029]

Miss Chloe Smith: The Office for Budget Responsibility’s March 2012 Economic and Fiscal Outlook (EFO) sets out outturn figures and forecasts for public sector net borrowing from 2010-11 to 2015-16 in Table 4.29.

Redundancy

Mr Redwood: To ask the Chancellor of the Exchequer how many of his Department’s employees have been made redundant in the last two years. [108069]

Miss Chloe Smith: Details of HM Treasury recruitments and redundancies for 2010-11 were published in its latest Annual Report and Accounts (HC 984). Figures for 2011-12 will be published in the coming months.

The number of departmental staff who have accepted redundancy terms in the last two years have been fewer than five. It is the Treasury’s policy for reasons of confidentiality not to release full details relating to numbers of staff fewer than five, where to do so might lead to the identification of individual cases.
Mr Gauke: HMRC have recently published a business plan for 2012-13 and within that has set out plans to streamline interactions between the Department and individuals during the current SR period. It includes as a priority improving accessibility, accuracy and timeliness.

The business plan can be found at:
www hmrc gov uk/about/business-plan-2012 pdf

Pages 8, 9, 11 and 19-22 are the most relevant to this subject.

Mr Liddell-Grainger: To ask the Chancellor of the Exchequer if he will place in the Library a copy of the results of (a) the IT, National Insurance Contributions and PAYE-Small Business Behaviour and Attitudes (November 2011 to January 2012) and (b) Real Time Information (May 2011 to March 2012) poll. [108332]

Mr Gauke: HMRC conducted a survey of 1,500 small businesses to further develop the evidence base on employer burdens and to supplement the results of the call for evidence issued by HMT in July 2011. The survey focused on:

- employer payroll processes, including which income tax and national insurance contributions (NICs) processes are contracted out to agents, and how software use varies;
- difficulties with the current system, exploring which aspects of the current system are most difficult to operate or understand; and
- changes to the system, seeking views on which elements could be simplified and with what business impact.

The research will be published and a copy will be placed in the Library.

HMRC is conducting a series of customer research projects to inform the design and delivery of Real Time Information. Specialist research agencies have been commissioned to conduct primary research among customers on HMRCs behalf. Reports from completed projects will be published and copies placed in the Library.

Mr Liddell-Grainger: To ask the Chancellor of the Exchequer what estimate he has made of the cost to the public purse under each budget heading of operating (a) PAYE, (b) self assessment and (c) national insurance in each of the last five years. [108333]

Mr Gauke: Estimated costs are shown in the following table. They cover a period of significant change for HM Revenue and Customs (HMRC) following the merger of Inland Revenue and HM Customs and Excise, and the creation of the UK Border Agency. Such structural change, combined with regular improvements to our headline attribution methods means, year on year, overhead allocations are not consistent.

<table>
<thead>
<tr>
<th>HMRC administrative costs</th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006-07</td>
</tr>
<tr>
<td>Income tax PAYE</td>
<td>944.4</td>
</tr>
<tr>
<td>Income tax SA</td>
<td>926.7</td>
</tr>
<tr>
<td>National insurance</td>
<td>338.1</td>
</tr>
</tbody>
</table>

1 Likely to be understated because of a change in the way data were captured following departmental restructuring.

2 Costs for 2008-09 income tax self-assessment and national insurance have been revised from previous estimates as a result of a further analysis of activities.

Mr Liddell-Grainger: To ask the Chancellor of the Exchequer what the employee headcount was in the (a) PAYE, Self Assessment and National Insurance Collection (PSN) and (b) Information Management Services Department of HM Revenue and Customs in (i) 2011 and (ii) 2012. [108344]

Mr Gauke: The headcount for PAYE, Self Assessment and National Insurance Collection (PSN) for 2011 was 348 and for 2012 was 511. The headcount for Information Management Services Department of HM Revenue and Customs in 2011 was 1,316 and for 2012 was 990.

Stamp Duty Land Tax

David Wright: To ask the Chancellor of the Exchequer if he will assess the effect on the sector of his proposal to abolish stamp duty relief for transfer to registered social landlords. [108608]

Miss Chloe Smith: The abolition of the stamp duty relief for transfers to registered social landlords is not expected to have any impact on the sector, as there are not expected to be any outstanding claims. Details of the impact are set out in the Tax Information and Impact Note issued on 6 December 2011 which is available online at:
http://www hmrc gov uk/ti/in/tiin830 pdf

Sterling

Mr Iain Wright: To ask the Chancellor of the Exchequer what assessment he has made of the effect of the value of sterling on (a) the UK manufacturing base and its supply chain and (b) export growth; and what assessment he has made of the prospects for currency valuation to act as an incentive for manufacturing firms to relocate to the UK. [108358]

Miss Chloe Smith: The Bank of England’s Sterling Effective Exchange Rate Index fell significantly during 2007-08, and it remains more than 20% below its 2007 peak. This fall in the value of sterling has improved the competitiveness of UK exports and exports of manufactured goods have increased by 34% since the peak in the value of sterling.

Since 2008 the manufacturing share of nominal gross value-added has remained broadly stable at 10% after falling by more than eight percentage points since 1997.

The value of sterling will be a factor considered by manufacturing firms when choosing where to locate.

Tax Allowances: Charitable Donations

Mr Thomas: To ask the Chancellor of the Exchequer what estimate he has made of the effect on donations to community development finance institutions of the cap on community investment tax relief and the charity tax relief cap proposed in the 2012 Budget; and if he will make a statement. [108823]

Mr Gauke: The Government announced at Budget 2012 a proposal to introduce a limit on all previously uncapped income tax reliefs from April 2013. This included the Community Investment Tax Relief (CITR),
The Community Development Finance Institutions (CDFIs) rely mainly on investments through the CITR. The Government has clearly stated its intention that those charities which rely on large donations are not significantly affected.

There are currently discussions with stakeholders from the charity sector taking place to better understand any impacts. This will inform a formal consultation on the delivery of the measure over the summer.

**Taxation: Bingo**

**Luciana Berger:** To ask the Chancellor of the Exchequer (1) what recent discussions he has had with the Secretary of State for Culture, Olympics, Media and Sport on bingo taxation; (2) what recent representations he has received from the bingo industry on the relationship between bingo gross profits tax and total tax revenue from the gaming sector.

**Miss Chloe Smith:** Treasury Ministers and officials have meetings with a wide variety of organisations in the public and private sectors as part of the process of policy development and delivery.

The Treasury publishes a list of ministerial meetings with external organisations, available at: http://www.hm-treasury.gov.uk/minister_hospitality.htm

**Luciana Berger:** To ask the Chancellor of the Exchequer what recent estimate he has made of the rate of gross profit tax levied on (a) bingo clubs and (b) bookmakers; and for what reasons the two rates are different.

**Miss Chloe Smith:** The rates of general betting duty, and bingo duty were set by the previous Government. Bingo duty is charged at 20% of gross profits and general betting duty is charged at 15% of gross profits. The March 2012 Budget left rates unchanged. All taxes, including gambling taxes, are kept under review.

**Taxation: Business**

**Simon Hughes:** To ask the Chancellor of the Exchequer how many company tax returns filed by companies (a) paying tax at the main rate, (b) comprising the FTSE 250 and (c) comprising the FTSE 100 in relation to accounting periods ending in the period from 1 April 2009 to 31 March 2010 have been opened for enquiry under the Finance Act 1998 by HM Revenue and Customs.

**Mr Gauke:** The figures for inquiries into FTSE 100 and FTSE 250 companies do not include any inquiries into subsidiaries or other companies in the same group as the FTSE 100 or FTSE 250 company.

**VAT**

**Rosie Cooper:** To ask the Chancellor of the Exchequer what evidential basis officials in his Department used to calculate the total cost per business of his proposal to impose VAT on sports nutrition products.

**Mr Gauke:** The cost to affected businesses to comply with the VAT changes to sports nutrition drinks is set out in “Annex B—Table of Impact for Individual Measures” of the HM Revenue and Customs consultation document “VAT: Addressing borderline anomalies” published in Budget 2012.


**Mr Laurence Robertson:** To ask the Chancellor of the Exchequer (1) what recent discussions he has had with manufacturers and retailers of nutritional drinks of the likely effect on their business of making their products subject to VAT; and if he will make a statement; (2) whether he has had recent discussions with the Secretary of State for Health on any possible effects on exercise and health resulting from the imposition of VAT on nutritional drinks; and if he will make a statement.

**Mr Gauke:** Treasury Ministers and officials have meetings with a wide variety of organisations in the public and private sectors as part of the process of policy development and delivery.

As was the case with previous Administrations it is not the Government’s policy to release details of all such meetings.

**INTERNATIONAL DEVELOPMENT**

**Afghanistan**

**Heidi Alexander:** To ask the Secretary of State for International Development what projects and programmes his Department funds in Afghanistan which promote the political participation and representation of women.

**Mr Andrew Mitchell:** The UK Government promotes the political participation of women in Afghan society through the Tawanmandi project. In 2011, I launched the Tawanmandi project which has provided grants to 27 civil society organisations, 15 of which support the political participation of women.

**Carbon Emissions**

**Luciana Berger:** To ask the Secretary of State for International Development what his Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012.

**Mr Duncan:** The carbon emissions from the DFID, as reported under the Greening Government Commitments...
(i.e. carbon from energy use in our UK buildings, and domestic air and rail travel) for the two years in question are as follows:

(a) 2010-11—3,890 tonnes
(b) 2011-12—2,909 tonnes

Luciana Berger: To ask the Secretary of State for International Development what steps his Department took to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012.  
[108592]

Mr Duncan: DFID has carried out a large number of measures to significantly reduce its Carbon emissions over the last three years. Examples of these are as follows:

(a) 2010:
  a. Installation of Voltage optimisation equipment in each of our UK offices; to reduce our electricity consumption;
  b. Installation of a Green Roof in our East Kilbride office;
  c. Installation of energy-efficient lighting in our London office;
  d. Improving energy efficiency by reducing the amount of occupied space in our London office and subletting.

(b) 2011:
  a. Reduction in the hours of operation of heating plant in both our UK offices;
  b. Reconfiguration of lighting systems to reduce the time which sensor-operated lights remain on;
  c. Staff awareness campaign to switch off unnecessary items, etc.;
  d. Encouraging and increasing use of rail travel over air travel between our two UK offices.

(c) 2012:
  a. Reduction in operation of cooling plant in our London office;
  b. Reductions in number of printers in both our UK offices;
  c. Reducing the number of IT servers in both of our UK offices.

Democratic Republic of Congo

Ian Lucas: To ask the Secretary of State for International Development what recent discussions he has had with the Government of Democratic Republic of Congo on the transparency of Government contracts to mine minerals in that country.  
[108623]

Mr Andrew Mitchell: I recently visited the Democratic Republic of Congo (DRC) and met with President Kabila and specifically raised the importance of transparency in the mining sector. I highlighted the mining sector reform programme (ProMines) the UK co-funds with the World Bank. ProMines supports the DRC to improve the management, transparency and accountability of the mining sector. I followed up this discussion with a letter to President Kabila in which I set out a number of options of how the UK could help in this area specifically.

Ian Lucas: To ask the Secretary of State for International Development how much bilateral aid has been delivered by the UK Government to the government of the Democratic Republic of Congo in the last three years.  
[108688]

Mr Andrew Mitchell: The latest official figures for British Government aid to the Democratic Republic of Congo (DRC) in the last three years are:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total UK Aid</th>
<th>DFID (share of UK total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>89</td>
<td>84</td>
</tr>
<tr>
<td>2009-10</td>
<td>117</td>
<td>109</td>
</tr>
<tr>
<td>2010-11</td>
<td>134</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: Statistics on International Development 2011, October 2011

In 2011-12 DFID provided £142 million in aid for the DRC through its bilateral programme. (Figures are not yet available for funding through global initiatives and other UK Government Departments).

Developing Countries: Irrigation

Dr Poulter: To ask the Secretary of State for International Development what assessment he has made of the use of drip irrigation systems in developing countries; and whether his Department is engaged in work with Israel in this field.  
[108195]

Mr Duncan: In a resource constrained and climate challenged world it is imperative to focus on technologies that produce the best production returns for a developing country’s farmer in terms of cost and resource efficiency. However DFID has not made a specific assessment of the use of drip irrigation.

DFID has not had any discussions with Israel on international co-operation in agriculture technology relating to drip irrigation.

Developing Countries: Malnutrition

Susan Elan Jones: To ask the Secretary of State for International Development what steps he plans to take to encourage the G8 to tackle malnutrition in developing countries.

Mr Andrew Mitchell: My Department worked closely with other G8 countries in advance of the G8 to secure ambitious commitments on malnutrition in developing countries. On 18 May the UK joined other G8 countries in agreeing to the New Alliance for Food Security and Nutrition aimed at lifting 50 million people out of poverty in Africa over the next 10 years, primarily through agriculture.

Under this initiative, G8 members are committing to actively support the Scaling Up Nutrition (SUN) movement and maintain robust programs to further reduce child stunting.

The UK is committing £395 million to the New Alliance, including £75 million to the Global Agriculture and Food Security Programme (GAFSP).

Developing Countries: Science

Gareth Johnson: To ask the Secretary of State for International Development what steps his Department is taking to support scientific research capacity in developing countries; and how much of his Department’s budget has been allocated to supporting scientific research capacity in developing countries in the last five years.

[108548]
Mr Andrew Mitchell: The Government recognises the importance of increasing scientific capacity in developing countries, and in particular in Africa and resource poor parts of Asia, and DFID work is a major part of this. Strengthening scientific capacity is a long-term activity. Much of DFID’s capacity building efforts have been embedded into our research programmes and projects. It is therefore difficult to allocate an accurate figure on supporting scientific research capacity in developing countries as a separate activity, although alongside this there are several standalone projects including; the £8 million Strengthening Capacity for Agricultural Research and Development in Africa (SCARDA) project; the £5 million Health Research Capacity Strengthening Initiative with the Wellcome Trust; and the £15 million Capacity Building African Initiative with the Royal Society.

Further details of the steps DFID is currently undertaking to support research capacity in developing countries in a range of areas including agriculture, climate change, health, infrastructure, social science can be found in DFID’s submission to the Science and Technology Select Committee which is examining exactly this issue.

Ethiopia

Mr Anderson: To ask the Secretary of State for International Development what steps he has taken to ensure that UK aid provided to Ethiopia under the Protection of Basic Services Programme accords with his Department’s conditionality policy in respect of the issue of villagisation. [108396]

Mr Andrew Mitchell: The UK Government assesses partner Governments against four Partnership commitments when considering any form of budget support. These include: poverty reduction and the Millennium Development Goals; respect for human rights and other international obligations; improving public financial management, good governance, transparency and fighting corruption; and strengthening domestic accountability.

The Protection of Basic Services Programme is a multi-donor programme which has very robust monitoring and audit arrangements and we are confident that these systems will prevent any misuse of UK aid funds. Through the programme Ethiopians are now better educated and healthier than five years ago.

The UK takes allegations of human rights abuses extremely seriously. The UK became aware of human rights allegations associated with the villagisation (or commune) programme in Gambella in late 2010 and immediately took steps to investigate them. In February 2011 the UK led a multi-agency mission, independent from the Ethiopian Government, to Gambella. The Mission found no evidence of systematic or widespread human rights abuses, though isolated human rights abuses may have been committed. The UK Government has not provided resources to directly support the commune programme.

Mr Anderson: To ask the Secretary of State for International Development when he plans to publish the findings of the UK-led independent multi-agency mission to Gambella, Ethiopia in February 2011. [108398]

Mr Andrew Mitchell: The Donor Assistance Group report on villagisation in Gambella, Ethiopia, will be placed in the House of Commons Library.

As this report is more than one year old, it does not reflect the latest situation in Gambella. The UK and other donors continue to monitor the villagisation process and to raise our concerns at the highest levels of the Ethiopian Government.

The report should not be seen in isolation, but considered as one element in and a contribution to the overall debate and assessment on villagisation which includes further research and political dialogue in various forums on the subject. In particular the EU is engaged in a dialogue with Government on the issue.

Lost Property

Mr Thomas: To ask the Secretary of State for International Development how many items of equipment valued at £10,000 or more his Department lost in (a) 2010-11 and (b) 2011-12; and if he will make a statement. [108931]

Mr Duncan: There were no items valued at £10,000 or more lost by DFID in either 2010-11 or 2011-12.

Manpower

Frank Dobson: To ask the Secretary of State for International Development how many jobs formerly in his Department and its non-departmental public bodies were transferred to the private sector in 2011-12. [108897]

Mr Duncan: The Department for International Development did not transfer any jobs from its Department or its non-departmental public bodies to the private sector in 2011-12.

Palestinians

Mr Hollobone: To ask the Secretary of State for International Development with reference to his Department’s funding of the construction of new schools in the Gaza Strip, what steps his Department is taking to ensure that textbooks used in such schools do not promote the glorification of terror and violence. [108887]

Mr Duncan: I refer my hon. Friend to the reply given to my hon. Friend the Member for Brigg and Goole (Andrew Percy) on 16 April 2012, Official Report, 241W.

Public Expenditure

Jeremy Lefroy: To ask the Secretary of State for International Development if he will publish a statement of his Department’s expenditure in each of the last 36 months; and what steps his Department takes to avoid an annual underspend. [108622]

Mr Duncan: DFID publishes its expenditure on an annual basis within DFID’s Resource Accounts. DFID does not currently publish expenditure on a monthly basis. The Resource Accounts for 2011-12 are currently being finalised and will be available on our website by
the end of June. The resource accounts for 2010-11 and 2009-10 are available from the following links:
2010-11:
2009-10:
http://www.dfid.gov.uk/About-us/How-we-measure-progress/Resource-accounts

DFID operates an annual results and resources cycle to avoid both underspend and overspend. Throughout the financial year, DFID reviews progress to date against internal budget allocations and the forecast year-end position. This enables DFID to identify when spending plans are off-track and to take action as appropriate. All Government Departments report monthly actual and forecast outturn information to HM Treasury. DFID has a rigorous business case approval process that ensures it has a pipeline of good value for money programmes available to reduce the risk of underspend.

Public Sector

Mr Thomas: To ask the Secretary of State for International Development how many new public sector mutuals were created or spun-off by his Department in (a) 2010-11 and (b) 2011-12; and if he will make a statement.  [108915]

Mr Andrew Mitchell: The Department for International Development has not created or spun off any new public sector mutuals in either 2010-11 or 2011-12.

Redundancy

Mr Redwood: To ask the Secretary of State for International Development how many of his Department’s employees have been made redundant in the last two years.  [108072]

Mr Duncan: DFID has only made one member of staff compulsorily redundant within the last two financial years. There have been 58 voluntary redundancies during this period. All of these departures were made in line with the terms of the Civil Service Compensation scheme applicable at the time.

Yemen

Keith Vaz: To ask the Secretary of State for International Development how much aid his Department has delivered to Yemen in 2012 up to 16 May 2012; and how much he plans to deliver in the remainder of 2012.  [108649]

Mr Andrew Mitchell: Our country programme expenditure is published on a financial year basis, based on a year from 1 April to 31 March. DFID’s expenditure in Yemen from 1 April 2011 to 31 March 2012 will be available following the publication of our Annual Report and Accounts at the end of June 2012.

The instability in Yemen over the last year led to a delay in the publication of our spending plans for the period through to 2014-15. I am currently considering what support to provide to Yemen and anticipate announcing our future spending plans in time for a donor conference for Yemen to be held this summer.

HOME DEPARTMENT

Alcoholic Drinks: Minimum Prices

Nick de Bois: To ask the Secretary of State for the Home Department what recent representations she has received on the introduction of a minimum price for alcohol; and if she will make a statement.  [108735]

James Brokenshire: In the forthcoming months the Government will launch a public consultation to determine the level for a minimum unit price. We will consider representations as part of that consultation.

Katy Clark: To ask the Secretary of State for the Home Department what assessment she has made of the effect on profits in the groceries industry of introducing a minimum unit price for alcohol of (a) 40 pence and (b) 50 pence per unit.  [108324]

James Brokenshire: In the forthcoming months the Government will produce an impact assessment that will consider the potential impacts of minimum unit pricing. We will consult on the level in the forthcoming months.

Carbon Emissions

Luciana Berger: To ask the Secretary of State for the Home Department what her Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012.  [108571]

Damian Green: Carbon dioxide emissions from buildings and travel for the Department, its executive agencies and sponsored non-departmental public bodies were 78,445 tonnes in 2010-11 and 73,030 tonnes in 2011-12. The figures exclude indirect emissions by third parties such as suppliers and landlords where the figures are not held.

Conservative Party and Liberal Democrats

Mrs Hodgson: To ask the Secretary of State for the Home Department (1) what the (a) job title and (b) pay band is of each official, excluding special advisers, recruited by her Department since May 2010 who was previously employed in any capacity by the (i) Conservative Party or its elected representatives and (ii) Liberal Democrat Party or its elected representatives; and whether their position was advertised publicly; [107275]
(2) what the (a) job title and (b) pay band is of each official, excluding special advisers, recruited by her Department since May 2010 who previously held an elected position as a member of the (i) Conservative Party and (ii) Liberal Democrat Party; and whether their position was advertised publicly. [107276]

Damian Green: The Home Office and its agencies do not hold this information centrally and to provide it could be done only at disproportionate cost.

Credit Cards

Mr Knight: To ask the Secretary of State for the Home Department how many civil servants in her Department hold a corporate credit card; how many instances there have been of (a) discipline and (b) dismissal for misuse of such credit cards in the last 12 months; and how much was repaid to her Department for credit card misuse over that period. [108359]

Damian Green: The Home Office and its Executive Agencies use two corporate credit cards, the Government Procurement Card (GPC) and a Travel and Expenses Card (T&E). The number of cards held by staff and the number of occurrences of disciplinary and dismissal actions for misuse of the cards and any repayments in the last 12 months are as follows:

Government Procurement Card (GPC):
- 617 members of staff currently hold a GPC card.

Travel and Expenses Card (T&E):
- 3,417 members of staff currently hold a T&E card.

In the last 12 months, one member of staff has been disciplined for misuse of a corporate credit card and a repayment of £41.60 was made in this instance.

No staff have been dismissed as a result of misuse of a corporate credit card in the last 12 months.

Crime Prevention

Jason McCartney: To ask the Secretary of State for the Home Department what assessment she has made of the effectiveness of the community crime fighters programme. [106429]

James Brokenshire: There has been no formal assessment of the programme. Our commitment is to encourage community activism, with government freeing up local people to make decisions for them about how best to tackle crime problems in their neighbourhoods in line with the government’s commitment to localism. We believe that communities are also best placed to assess the effectiveness of initiatives.

With the election of police and crime commissioners in November 2012 the public will, for the first time, have a direct role in determining local priorities and holding the police to account for delivery of those priorities. Police and crime commissioners will be able to use their local knowledge to assess the programmes delivered in their area and fund those which are suitable.

Crime: Alcoholic Drinks

Guy Opperman: To ask the Secretary of State for the Home Department what plans she has to bring forward legislative proposals to reduce crime and improve health outcomes related to alcohol use. [107940]

James Brokenshire: On 23 March the Government launched its Alcohol Strategy which aims to radically reshape the approach to alcohol and reduce alcohol related crime and health harms. The Government will consult on key measures in the forthcoming months.

Crime: Nature Conservation

Fiona O’Donnell: To ask the Secretary of State for the Home Department whether the UK Wildlife Crime Priority for raptor persecution incorporates crime that meets her Department’s definition of serious and organised crime. [108001]

James Brokenshire [holding answer 17 May 2012]: “Local to Global”, the Government’s Organised Crime Strategy, defines organised crime as the capacity and capability to commit serious crime on a continuing basis, which includes elements of planning, control and co-ordination, and benefits those involved. Wildlife crime, including raptor persecution, can be a manifestation of this.

Fiona O’Donnell: To ask the Secretary of State for the Home Department what progress her Department has made on plans for the National Crime Agency to assume responsibility for tackling wildlife crime that meets its definition of serious and organised crime. [108002]

James Brokenshire [holding answer 17 May 2012]: The National Crime Agency (NCA) Programme is actively engaging with the UK Border Force and other partners with an interest in this area, including the Department for Environment, Food and Rural Affairs.

The NCA and its partners are committed to protecting the environment and will work collectively to prevent the internal and cross-border trafficking of wildlife.

Databases: Telecommunications

Mr Carswell: To ask the Secretary of State for the Home Department whether she plans to include non-UK based internet service providers in the Communications Capabilities Development Programme. [107071]

James Brokenshire: The Queen announced on 9 May 2012 the Government’s intention to bring forward measures to maintain the ability of the law enforcement and intelligence agencies to access vital communications data under strict safeguards subject to scrutiny of draft clauses. Further details of this legislation will be presented to Parliament in due course.

Detention Centres: Standards

Sir Bob Russell: To ask the Secretary of State for the Home Department when (a) inspection and (b) monitoring was last carried out of non-residential short-term holding facilities for (i) adults and (ii) children at (A) London Heathrow, (B) London Gatwick, (C) London Stansted, (D) Manchester and (E) each other UK airport which has non-residential short-term holding facilities; and if she will make a statement. [109067]
### Damian Green:

All non-residential short-term holding facilities are subject to a programme of unannounced inspection visits by HM Inspectorate of Prisons. The chief inspector’s reports are published on his website.

A number of short-term holding facilities are also the subject to monitoring by Independent Monitoring Boards, including Heathrow and Manchester. Boards report annually to the Minister for Immigration, a copy of which is published on the IMB website.

All short-term holding facilities are subject to regular visits by UK Border Agency staff.

### Discrimination: Ethnic Groups

#### Jeremy Corbyn:

To ask the Secretary of State for the Home Department when she expects to bring forward regulations under the Equality Act 2010 to address the incidence of discrimination by caste or descent in the UK.

[108381]

#### Lynne Featherstone [holding answer 21 May 2012]:

We are still carefully considering the evidence available to us, including the report by the National Institute of Economic and Social Research, and will make a decision on whether to bring forward regulations under the Equality Act 2010 in due course.

### Driving Offences: Insurance

#### Andrew Stephenson:

To ask the Secretary of State for the Home Department how many vehicles were seized for being driven without insurance in the most recent year for which figures are available.

[108984]

#### Nick Herbert:

The information requested is not collected centrally.

### Drugs: Misuse

#### Dr Huppert:

To ask the Secretary of State for the Home Department whether the head of the Drugs and Alcohol Unit in her Department will be acting in an official capacity to present UK drug policy when he speaks at the World Federation Against Drugs on 21 May 2012.

[108417]

#### James Brokenshire [holding answer 21 May 2012]:

The head of the Drugs and Alcohol Unit represented Her Majesty’s Government when he spoke at the World Forum Against Drugs, hosted by the World Federation Against Drugs, on 21 May 2012.

#### Dr Huppert:

To ask the Secretary of State for the Home Department with reference to the National Audit Office report Tackling Problem Drug Use, March 2010, when she plans to publish an evaluation framework for the UK Drug Strategy.

[108418]

#### James Brokenshire [holding answer 21 May 2012]:

The Annual Review of the Drug Strategy published on 17 May 2012 outlines progress in implementing the strategy. We are committed to evaluating the effectiveness of our drug strategy and continue to develop the framework for doing so.

### Entry Clearances

#### Philip Davies:

To ask the Secretary of State for the Home Department what the average length of time taken to process visas was by category of visa, in each of the last three years; and what the longest time taken was in each category in each such year.

[107185]

#### Damian Green:

The information requested is provided in the following tables.

### Non-Settlement Visas

<table>
<thead>
<tr>
<th>Category</th>
<th>% 3 weeks</th>
<th>% 6 weeks</th>
<th>% 12 weeks</th>
<th>% 3 weeks</th>
<th>% 6 weeks</th>
<th>% 12 weeks</th>
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<th>% 6 weeks</th>
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<tbody>
<tr>
<td>EEA Family Permits</td>
<td>90</td>
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<td>98</td>
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<tr>
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<td>93</td>
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<td>94</td>
<td>99</td>
<td>100</td>
<td>95</td>
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<tr>
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<td>100</td>
<td>96</td>
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### Settlement visas

<table>
<thead>
<tr>
<th>Category</th>
<th>% 3 weeks</th>
<th>% 12 weeks</th>
<th>% 24 weeks</th>
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</thead>
<tbody>
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<td>EEA Family Permits</td>
<td>82</td>
<td>5.9</td>
<td>6.4</td>
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<tr>
<td>Family Visit</td>
<td>4.9</td>
<td>4.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Other Non Settlement</td>
<td>6.0</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Other Visitor</td>
<td>3.3</td>
<td>3.3</td>
<td>4.5</td>
</tr>
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</table>

### Average visa processing times in days

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tr>
<td>EEA Family Permits</td>
<td>8.2</td>
<td>5.9</td>
<td>6.4</td>
</tr>
<tr>
<td>Family Visit</td>
<td>4.9</td>
<td>4.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Other Non Settlement</td>
<td>6.0</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Other Visitor</td>
<td>3.3</td>
<td>3.3</td>
<td>4.5</td>
</tr>
</tbody>
</table>
Entry Clearances: Appeals

**Fiona Mactaggart:** To ask the Secretary of State for the Home Department what target time her Department has set for the time taken between promulgation of an entry clearance appeal determination when the appellant is successful and the issuing of entry clearance to the appellant.

**Damian Green:** The Secretary of State for the Home Department, my right hon. Friend the Member for Maidenhead (Mrs May), is currently giving very careful consideration to the recommendations made by Sir Scott Baker and will announce what action the Government will take in response to the review shortly.

**Forgery: Euro**

**Mr Raab:** To ask the Secretary of State for the Home Department with reference to EU Council Decision 2005/511/JHA on protecting the euro against counterfeiting, what assessment she has made of the likely benefit to the UK of the designation of Europol as the central office for combating euro counterfeiting.

**James Brokenshire** [holding answer 21 May 2012]: The UK must decide, no later than 31 May 2014, whether to accept full European Court of Justice jurisdiction over those EU police and criminal justice measures adopted before 1 December 2009 which have not been amended or replaced. This measure falls within the scope of that decision and will be reviewed accordingly.

**Immigration**

**Simon Reevell:** To ask the Secretary of State for the Home Department how many legacy immigration cases are being handled by her Department; and how many new legacy immigration cases were identified on average per month in the last 12 months.

**Damian Green:** Rob Whiteman, the chief executive of the UK Border Agency wrote to the Home Affairs Select Committee on 3 May that there were 21,000 live legacy cases to conclude, 80,000 cases in the asylum Controlled Archive and 21,500 cases in the migration Controlled Archive which the Case Assurance and Audit Unit (CAAU) will continue to manage, taking robust action to trace applicants and conclude cases where new information comes to light which allows cases to be progressed.

In the financial year April 2011 to March 2012 an average of 138 new legacy cases per month were identified by the CAAU.

**Immigration Controls**

**Chris Bryant:** To ask the Secretary of State for the Home Department what the cost to the public purse was of the transfer of additional UK Border Force and UK Border Agency staff to London airports from other locations over the May 2012 bank holiday weekend.

**Damian Green:** We do not disclose this type of information on the grounds it may be prejudicial to operations and therefore security.

**Immigration Controls: Ports**

**Alex Cunningham:** To ask the Secretary of State for the Home Department what her policy is on the application of immigration law to non-European economic area seafarers working on one-port voyages in (a) UK territorial waters or (b) the UK continental shelf.

[Draft notes]

**Notes:**
1. Withdrawn and Lapsed Applications not included.
2. Ceiling of 366 calendar days to resolve used for non-settlement cases.
3. Ceiling of 500 calendar days to resolve used for settlement cases.
4. The above figures exceed targets because they are likely to be highly complex cases where the application had to be:
   (i) Deferred for further information from the applicant or a third party.
   (ii) Referred to the ‘Referred Case Unit’ in Croydon because a decision could not be made at the Post.

**Entry Clearances: Appeals**

**Fiona Mactaggart:** To ask the Secretary of State for the Home Department what target time her Department has set for the time taken between promulgation of an entry clearance appeal determination when the appellant is successful and the issuing of entry clearance to the appellant.

**Damian Green:** The UK Border Agency aims to establish whether an appeal should be contested within five working days from a decision being promulgated.

Appeals that are not contested are referred back to the relevant Visa Section, who aim to issue any relevant entry clearance within eight weeks of receiving the referral. Timescales can be affected by the standard of the postal, telephone and e-mail services in some locations in which International Group operates.

**Extradition**

**Keith Vaz:** To ask the Secretary of State for the Home Department when she expects to publish her response to the review of the UK’s extradition arrangements by Scott Baker.

**Damian Green:** The Secretary of State for the Home Department, my right hon. Friend the Member for Maidenhead (Mrs May), is currently giving very careful consideration to the recommendations made by Sir Scott Baker and will announce what action the Government will take in response to the review shortly.

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[Draft notes]
### Table 1: Number of civil servants employed by the Home Office and its Executive Agencies by region

<table>
<thead>
<tr>
<th>Region</th>
<th>(a) Departmental Total</th>
<th>(b) Criminal Records Bureau</th>
<th>(b) Headquarters</th>
<th>(c) Identity and Passport Service</th>
<th>(d) United Kingdom Border Agency</th>
<th>(e) National Fraud Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Midlands</td>
<td>166.58</td>
<td>—</td>
<td>57.64</td>
<td>3.99</td>
<td>104.95</td>
<td>—</td>
</tr>
<tr>
<td>East of England</td>
<td>1,053.38</td>
<td>—</td>
<td>468.02</td>
<td>407.34</td>
<td>178.02</td>
<td>—</td>
</tr>
<tr>
<td>London</td>
<td>10,621.68</td>
<td>—</td>
<td>4,697.61</td>
<td>5,343.51</td>
<td>5,343.51</td>
<td>41.54</td>
</tr>
<tr>
<td>North East</td>
<td>853.04</td>
<td>—</td>
<td>114.02</td>
<td>590.48</td>
<td>148.54</td>
<td>—</td>
</tr>
<tr>
<td>North West</td>
<td>3,852.18</td>
<td>475.43</td>
<td>535.21</td>
<td>959.03</td>
<td>1,882.51</td>
<td>—</td>
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<tr>
<td>Scotland</td>
<td>637.16</td>
<td>—</td>
<td>223.04</td>
<td>162.59</td>
<td>251.53</td>
<td>—</td>
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<tr>
<td>South East</td>
<td>3,507.67</td>
<td>—</td>
<td>3,059.41</td>
<td>18.83</td>
<td>429.43</td>
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<tr>
<td>South West</td>
<td>302.03</td>
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<td>17.00</td>
<td>194.13</td>
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<tr>
<td>Wales</td>
<td>485.60</td>
<td>—</td>
<td>132.65</td>
<td>158.83</td>
<td>398.54</td>
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<tr>
<td>West Midlands</td>
<td>654.70</td>
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<td>11.69</td>
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<tr>
<td>Yorkshire and the Humber</td>
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<td>290.37</td>
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<td>Northern Ireland</td>
<td>276.78</td>
<td>—</td>
<td>73.30</td>
<td>159.34</td>
<td>44.15</td>
<td>—</td>
</tr>
</tbody>
</table>

1 This includes 130 (FTE) employees who transferred in as part of Machinery of Government changes when the Government Equalities Office (88 FTE) and National Fraud Authority (42 FTE) became part of the Home Office on 1 April 2011. It excludes 110 (FTE) employees who left the Department on 1 April 2011 in a Machinery of Government change when the Pay Service moved to Ministry of Justice.

2 Data as at 30 April 2012 extracted on 1 April 2011.

3 Data as at 31 May 2010 extracted on 1 April 2011.

4 Extract Dates: Data as at 31 May 2010 extracted on 1 April 2011. Data as at 30 April 2012 extracted on 1 April 2012.

5 Note: All figures are for paid civil servants only, in line with ONS guidelines on workforce reporting.

6 Source: Data View—the Department’s source of Office for National Statistics (ONS) compliant corporate Human Resources data.
Police and Crime Commissioner Elections

Jonathan Edwards: To ask the Secretary of State for the Home Department what recent estimate she has made of the cost of the Police and Crime Commissioner elections in (a) Wales and (b) England. [108562]

Nick Herbert: The estimated cost of Police and Crime Commissioner elections in England and Wales in November 2012 is £75 million.

It is not currently possible to estimate the cost of elections in each country separately. The Home Office is modelling the estimated cost of the elections in each force area to inform the Fees and Charges Order, which we will lay before Parliament later in the year.

Police and Crime Commissioners

Mr Iain Wright: To ask the Secretary of State for the Home Department whether local areas will be able to hold referendums on abolishing the position of police and crime commissioner; and if she will make a statement. [108356]

Nick Herbert: No.

Police Custody: West Yorkshire

Simon Reevell: To ask the Secretary of State for the Home Department how many custody records were opened by the West Yorkshire police in (a) 2001 and (b) 2011. [108645]

Nick Herbert: The information requested is not held by the Home Office.

Police Numbers

Stephen Timms: To ask the Secretary of State for the Home Department what assessment she has made of the effect of change in police numbers on the level of crime since May 2010. [108049]

Nick Herbert: The Home Affairs Committee said last year:

“We accept that there is no simple relationship between numbers of police officers and levels of crime.”

The Government agrees.

Redundancy

Mr Redwood: To ask the Secretary of State for the Home Department how many of her Department’s employees have been made redundant in the last two years. [108063]

Damian Green: In the last two years (1 April 2010 to 31 March 2012) 26 Home Office employees have been made compulsorily redundant.

Sexual Offences: Drugs

Helen Jones: To ask the Secretary of State for the Home Department (1) what steps her Department has taken to improve evidence-gathering processes to ensure that tests for date rape drugs can be carried out where appropriate; (2) what steps her Department has taken to tackle drink spiking leading to drug-facilitated sexual assault and other offences; (3) what recent assessment she has made of the prevalence of drug-facilitated sexual assaults. [108434]

James Brokenshire [holding answer 21 May 2012]: Actions to improve evidence gathering are a matter for the police. The Association of Chief Police Officers and the National Police Improvement Agency issue guidance on investigating and prosecuting rape.

The Home Office website offers advice to people who believe they have been victim to drug-facilitated sexual assaults. This is available at http://www.direct.gov.uk/en/CrimeJusticeAndTheLaw/Typesofcrime/DG_10027698

FRANK, the Home Office sponsored drug information and advice service, has information on tranquillisers (which includes Rohypnol) available on its website, available at: www.talktofrank.com

Information on the prevalence of drug-facilitated sexual assaults is not held centrally by the Home Office.

Helen Jones: To ask the Secretary of State for the Home Department when her Department’s Safer Clubbing guidance was last reviewed and updated. [108433]

James Brokenshire [holding answer 21 May 2012]: The London Drug Policy Forum’s ‘Safer Nightlife’ guidance was published in 2008, in collaboration with...
the Home Office, the Association of Chief Police Officers and other key partners. The Home Office has no current plans to review or update this guidance.

Theft: Mobile Phones

Jim Dowd: To ask the Secretary of State for the Home Department how many mobile telephone handsets have been reported stolen in each of the last five years.

James Brokenshire: The requested data are not available from police recorded crime data collected centrally. However the 2010-11 Crime Survey for England and Wales estimates that approximately 800,000 individuals experienced one or more mobile phone thefts in England and Wales in the last year. There has been no statistically significant change in this estimate over the last five years.

Jim Dowd: To ask the Secretary of State for the Home Department what discussions she has had with mobile telephone handset providers and network operators on systems to disable a handset once it has been reported stolen.

James Brokenshire: Home Office Ministers and officials have meetings with a wide variety of international partners, as well as organisations and individuals in the public and private sectors, as part of the process of policy development and delivery. As was the case with previous Administrations, it is not the Government’s practice to provide details of all such meetings.

Trade Unions

Priti Patel: To ask the Secretary of State for the Home Department how many trade union representatives in (a) her Department and (b) each of its non-departmental public bodies had (i) part-time and (ii) full-time paid facility time arrangements in 2011-12.

Damian Green: During the period 2011-12 across the Department and its non-departmental public bodies a total of 22 staff had full-time paid facility time arrangements and a further 463 staff had part-time facility time arrangements. The majority of these part-time representatives do only minimal amounts of union work, often for only a few hours a month.

Priti Patel: To ask the Secretary of State for the Home Department if she will place in the Library copies of the facility time agreements between trade unions and (a) her Department and (b) each of its non-departmental public bodies.

Damian Green: Copies of the relevant facility time agreements will be placed in the House of Commons Library. We are currently awaiting the outcome of a Cabinet Office consultation exercise, due to begin shortly, which will review options for changes to facility time arrangements across the civil service. Once the Cabinet Office consultation exercise has concluded we will review and update the Department’s facility time agreements accordingly.

UK Border Agency

Katy Clark: To ask the Secretary of State for the Home Department what recent assessment she has made of staffing levels at the UK Border Agency.

[108038]

Damian Green: The staffing levels within UKBA are 12,886.

UK Border Agency: Pay

Steve McCabe: To ask the Secretary of State for the Home Department what work permit requirements apply to non-European economic area seafarers working in the UK (a) maritime and (b) offshore energy sectors.

[108816]

Damian Green: Under the Immigration Rules, a seafarer coming to join a ship will require permission to work under the Points Based System except where he is eligible for admission as a seafarer under contract to join a ship due to leave British waters.

EDUCATION

Academies: Finance

Stephen Timms: To ask the Secretary of State for Education how the amount top-sliced from local authorities’ general funds for academies was calculated in 2012-13; what the link between funds taken and the number of academies in each local authority area was; and if he will make a statement.

[107589]

Mr Gibb [holding answer 16 May 2012]: We announced in December 2010 that deductions would be made from Formula Grant in 2011-12 and 2012-13 to reflect the transfer of responsibilities from local authorities to academies. Local authorities receive Formula Grant on a per-pupil basis and until 2011-12 no reduction was made for pupils that were in academies. This meant that local authorities kept the same level of Formula Grant in 2011-12 and 2012-13 to reflect the transfer of responsibilities from local authorities to academies.

At the time of the decision we were only able to make estimates about the growth in the number of academies at a national level, so reductions in local authority budgets were calculated on a pro-rata national basis.
The top-slice was not therefore related to the current pattern of academy schools, nor did it reflect the pattern of growth in academy numbers which has subsequently taken place.

We have since announced that at the end of the 2012-13 financial year we will make a calculation of the number of pupils in academies in each local authority to determine the amount each local authority’s budget should have been reduced by that year. Where the amount is less than the amount top-sliced from the local authority’s budget, we will refund the difference. There are a number of authorities where the top-slice was less than should have been deducted given the number of academies they have. To maintain stability in local authorities’ budgets we have agreed not to seek to recoup this funding.

**Stephen Timms:** To ask the Secretary of State for Education if he will publish a timetable for the return of funds to local authorities following the top-slicing of local authority general funds for academies in 2012-13.

[107590]

**Mr Gibb [holding answer 16 May 2012]:** The level of any refund of the 2012-13 top slice paid to local authorities will be based on a calculation of the number of pupils in academies in each local authority. The final 2012-13 academies will open at the beginning of March 2013 and so the final refund, where applicable, will be calculated in March 2013 and paid as soon as possible thereafter. We will write to local authorities in January 2013 to give them an indicative calculation of any refund they may receive to assist them in their financial planning.

**Academies: Reading (Berkshire)**

**Alok Sharma:** To ask the Secretary of State for Education what proportion of (a) primary and (b) secondary schools in (i) Reading West constituency, (ii) Reading and (iii) Berkshire have converted to academy status in the last 12 months.

[106676]

**Mr Gibb:** Over the last 12 months the following proportions of schools converted to academies in:

(i) Reading West constituency: (a) no primary schools and (b) 33% of secondary schools;

(ii) Reading: (a) no primary schools and (b) 14% of secondary schools; and

(iii) Berkshire: (a) 2% of primary schools and (b) 24% of secondary schools.

In total, the following proportions of schools have converted to academies in:

(i) Reading West constituency: (a) 3% primary schools and (b) 50% of secondary schools;

(ii) Reading: (a) 3% of primary schools and (b) 71% of secondary schools; and

(iii) Berkshire: (a) 4% of primary schools and (b) 49% of secondary schools.

**Carbon Emissions**

**Luciana Berger:** To ask the Secretary of State for Education what his Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012.

[108583]

**Tim Loughton:** The Department for Education’s total carbon dioxide emissions are reported as part of the Annual Accounts returned to Treasury.

(a) For the financial year 2010/11 (1 April 2010 to 31 March 2011) the Department emitted 14,887 tonnes of carbon dioxide equivalent emissions.

(b) For the financial year 2011/12 (1 April 2011 to 31 March 2012) the Department emitted 13,597 tonnes of carbon dioxide equivalent emissions.

The above emissions values include official UK business travel and encompass the arm’s-length bodies and Executive agencies of the Department with the exception of the Young People’s Learning Agency as their emissions are captured within shared accommodation arrangements with the Department for Business, Innovation and Skills.

In 2010/11, DFE participated in the Prime Minister’s 10% carbon commitment to reduce office-based carbon emissions by 10% over 12 months. During this period, the Department reduced its emissions by 21.5% compared to the previous 12 months.

**Luciana Berger:** To ask the Secretary of State for Education what measures his Department introduced to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012.

[108584]

**Tim Loughton:** The Department for Education has focused its carbon reduction activity throughout 2010-12 on low and no-cost measures, supported by a small number of capital investments. During the period in question, the following measures were introduced:

Key measures in 2010 included:

- Installing high efficiency lighting;
- Installing variable speed drives (VSD) on Air Handling Units (AHUs);
- Estate rationalisation and co-location;
- Relocating its Sheffield HQ building to a property with solar thermal and solar PV installations;
- Re-programming Building Management System (BMS) to be more demand based;
- Running staff awareness energy efficiency campaigns;
- Switching-off unnecessary lighting;
- Adjusting building temperature set points to reduce heating and cooling requirements.

Key measures in 2011 included:

- Installing VSDs on heat pumps;
- Installing additional automated meter reading (AMR) devices across the estate;
- Monitoring and targeting unexpected building energy profiles through AMR-generated data;
- Revising AHU Control Strategies;
- Introducing thin-client computers.

Key measures in 2012 to date include:

- Regular fine tuning of the BMS;
- Introducing thin-client computers;
- Installing LED lighting;
- Reducing operating hours of major plant and equipment;
- Shutting down buildings even more effectively during unoccupied periods.

Environmental audits are planned across our estate to identify further measures to reduce our emissions throughout 2012.
Consultants

Mr Thomas: To ask the Secretary of State for Education how much his Department spent on external consultants, including management consultants, in (a) 2010-11 and (b) 2011-12; and if he will make a statement.

[107490] Tim Loughton: The Department for Education’s expenditure on external consultants including management consultants in

(a) Financial year 2010-11 was £19.8 million.
(b) Financial year 2011-12 was £3.93 million.

You might also be interested to know the expenditure in previous years:

(i) Financial year 2008-09 was £59 million
(ii) Financial year 2009-10 was £57.4 million.

Financial Services: Education

Justin Tomlinson: To ask the Secretary of State for Education (1) if he will make the teaching of financial literacy a compulsory part of the planned new national curriculum in secondary schools;

(2) if he will encourage businesses outside the financial services sector to support the provision of financial literacy in secondary schools;

(3) if he will encourage more businesses in the financial services sector to volunteer in schools to support teachers in teaching financial capability;

(4) if he will include teaching financial capability as a mandatory part of training for new teachers;

(5) if he will increase the personal finance elements of mathematics teaching;

(6) if he will create a database of personal finance teaching resources and volunteers aimed at young people to be made available to teachers.

Mr Gibb: Finance education is currently taught as part of Personal, Social, Health and Economic (PSHE) education. We will be looking at the provision for finance education as part of the review to determine how we can improve the quality of all PSHE teaching and support teachers to teach the subject well. We will consider whether aspects of the subject should become statutory as part of the basic curriculum and this of course includes finance education.

Support from businesses in and outside the financial services sector is important in helping schools with their finance education programmes. In fact, schools are already drawing on expertise from financial institutions, and organisations such as the Citizens Advice Bureau to help teachers improve financial capability with finances. However, we want schools to have the flexibility to use their judgment about how best to deliver finance education including which external partners to use.

The new Teachers’ Standards, which set out what is expected of all qualified teachers, require teachers to be able to plan out of class activities to consolidate and extend the knowledge and understanding pupils have acquired. It is for training providers to decide what trainees should be taught to enable them to achieve the Teachers’ Standards. The Department does not mandate content of initial teacher training courses.

The aim of the National Curriculum review is to determine a core of essential knowledge that pupils need to succeed. As part of the review we are currently developing new programmes of study for mathematics to ensure that it reflects the core mathematical knowledge and skills in preparing students for the wider world.

We have no plans to create a database of personal finance education teaching resources and volunteers aimed at young people to be made available to teachers. There are a number of sources where schools can obtain such information, including, for example, the Personal Finance Education Group who have a wide range of resources on their website aimed at teachers and finance education practitioners.

We set out, in the White Paper, ‘The Importance of Teaching’, how schools will be freed from the constraints of central Government direction, including trusting the professional judgment of teachers in deciding on the teaching that best meets the needs of their pupils.

Mr Gibb: If he will make the teaching of financial literacy a statutory part of the basic curriculum in secondary schools;

(2) if he will encourage businesses outside the financial services sector to support the provision of financial literacy in secondary schools;

(3) if he will encourage more businesses in the financial services sector to volunteer in schools to support teachers in teaching financial capability;

(4) if he will include teaching financial capability as a mandatory part of training for new teachers;

(5) if he will increase the personal finance elements of mathematics teaching;

(6) if he will create a database of personal finance teaching resources and volunteers aimed at young people to be made available to teachers.

Mr Gibb: Information on the proportion of year 10 pupils who are studying subjects that could lead to the English Baccalaureate in academic year 2011-12 and (ii) were studying GCSEs that would now form part of the English Baccalaureate in academic year 2009-10.

Mr Gibb: Information on the proportion of year 10 pupils eligible for free school meals in each (a) parliamentary constituency and (b) local authority area (i) are studying subjects that could lead to the English Baccalaureate in academic year 2011-12 and (ii) were studying GCSEs that would now form part of the English Baccalaureate in academic year 2009-10.

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Free School Meals

Kerry McCarthy: To ask the Secretary of State for (1) Education how many children in (a) Bristol and (b) nationally are eligible for free school meals; (2) what proportion of children eligible for free school meals in (a) Bristol and (b) nationally take them. [106935]

Mr Gibb: Information on the number and percentage of pupils known to be eligible for and claiming free school meals has been placed in the House Libraries. Information on how many pupils meet the eligibility criteria but do not make a claim is not available.

The information provided here for January 2011 is published in tables 11a to 11d of the Statistical First Release ‘Schools, Pupils and their Characteristics, January 2011’ available at:

Kerry McCarthy: To ask the Secretary of State for Education what proportion of children living in poverty are eligible for free school meals. [107524]

Sarah Teather: The Department estimates that around half of children living in relative poverty in Great Britain in 2012/13 are entitled to free school meals.

Free School Meals: South Yorkshire

Michael Dugher: To ask the Secretary of State for Education how many children received free school meals in (a) Barnsley East constituency, (b) Barnsley Metropolitan Borough and (c) South Yorkshire in (i) 2008, (ii) 2009, (iii) 2010 and (iv) 2011. [107909]

Mr Gibb: Information on the number and percentage of pupils known to be eligible for and claiming free school meals is shown in the tables.

Information on the number of pupils known to be eligible for and claiming free school meals as at January 2011 is published in the Statistical First Release ‘Schools, Pupils and their Characteristics, January 2011’ available at:

<table>
<thead>
<tr>
<th>Maintained nursery, state-funded primary, state-funded secondary, special schools and pupil referral units1, 2, 3, 4, 5: January 2008 to 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number and percentage of pupils eligible for and claiming free school meals</strong></td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>England</td>
</tr>
<tr>
<td>South Yorkshire</td>
</tr>
<tr>
<td>Of which:</td>
</tr>
<tr>
<td>Barnsley</td>
</tr>
<tr>
<td>Doncaster</td>
</tr>
<tr>
<td>Rotherham</td>
</tr>
<tr>
<td>Sheffield</td>
</tr>
<tr>
<td>Barnsley East Constituency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2009</th>
<th>Number on roll6, 7</th>
<th>Number of pupils known to be eligible for and claiming free school meals6, 7</th>
<th>Percentage known to be eligible for and claiming free school meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>6,786,750</td>
<td>1,096,525</td>
<td>16.2</td>
</tr>
<tr>
<td>South Yorkshire</td>
<td>176,750</td>
<td>31,970</td>
<td>18.1</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barnsley</td>
<td>30,150</td>
<td>5,973</td>
<td>19.8</td>
</tr>
<tr>
<td>Doncaster</td>
<td>41,036</td>
<td>7,549</td>
<td>18.4</td>
</tr>
<tr>
<td>Rotherham</td>
<td>36,801</td>
<td>6,721</td>
<td>17.3</td>
</tr>
<tr>
<td>Sheffield</td>
<td>65,762</td>
<td>11,726</td>
<td>17.6</td>
</tr>
<tr>
<td>Barnsley East Constituency</td>
<td>10,622</td>
<td>2,461</td>
<td>23.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2010</th>
<th>Number on roll6, 7</th>
<th>Number of pupils known to be eligible for and claiming free school meals6, 7</th>
<th>Percentage known to be eligible for and claiming free school meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>6,796,500</td>
<td>1,184,920</td>
<td>17.4</td>
</tr>
</tbody>
</table>
Number and percentage of pupils eligible for and claiming free school meals

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number on roll</td>
<td>Number of pupils known to be eligible for and claiming free school meals</td>
</tr>
<tr>
<td>South Yorkshire</td>
<td>175,640</td>
<td>34,515</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barnsley</td>
<td>29,849</td>
<td>6,436</td>
</tr>
<tr>
<td>Doncaster</td>
<td>40,834</td>
<td>8,425</td>
</tr>
<tr>
<td>Rotherham</td>
<td>38,435</td>
<td>7,193</td>
</tr>
<tr>
<td>Sheffield</td>
<td>66,520</td>
<td>12,463</td>
</tr>
<tr>
<td>Barnsley East Constituency</td>
<td>10,637</td>
<td>2,657</td>
</tr>
</tbody>
</table>

Note:
1 Includes middle schools as deemed.
2 Includes primary academies.
3 Includes city technology colleges and secondary academies.
4 Includes maintained and non-maintained special schools. Excludes general hospital schools.
5 From 2010, includes pupil referral units (when the collection became pupil level).
6 Includes full time and part time pupils who are sole or dual main registrations. Includes boarding pupils. In pupil referral units, also includes pupils registered with other providers and further education colleges.
7 Pupils who have full time attendance and are aged 15 or under, or pupils who have part time attendance and are aged between five and 15.

Source:
School Census

Free School Meals: Universal Credit

Kate Green: To ask the Secretary of State for Education with reference to the publication, universal credit: the impact on passported benefits, when he expects to publish the consultation on eligibility for free school meals within universal credit. [108406]

Mr Gibb: The introduction of universal credit in 2013 means that the Government has to change the way it calculates eligibility for free school meals, and we expect to consult on our plans shortly.

GCE A-level: Disadvantaged

Steve McCabe: To ask the Secretary of State for Education how many pupils receiving free school meals were awarded a grade A at A Level in 2011. [108502]

Mr Gibb: The information requested is provided in the following table.

<table>
<thead>
<tr>
<th></th>
<th>Number awarded at least one A*-A grade</th>
<th>Percentage awarded at least one A*-A grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupils eligible for free school meals</td>
<td>2,896</td>
<td>21.5</td>
</tr>
<tr>
<td>All other pupils</td>
<td>74,677</td>
<td>35.3</td>
</tr>
<tr>
<td>All pupils</td>
<td>77,573</td>
<td>34.4</td>
</tr>
</tbody>
</table>

1 Pupils aged 16-18 at the start of the 2010/11 academic year attending maintained schools (including academies and CTCs) and FE sector colleges.
2 Includes GCE/Applied GCE A-levels and Double Awards.
3 Pupils eligible for free school meals at the end of year 11.

Source:
National Pupil Database (final data)

Grove School: Nottinghamshire

Patrick Mercer: To ask the Secretary of State for Education whether he received representations from the Grove School in Nottinghamshire on its closure during the winter because classrooms were too cold for teaching and learning. [107046]

Mr Gibb: The Department has no record of receiving any representations from the Grove School in
Nottinghamshire on its closure during the winter because classrooms were too cold for pupils to receive their education.

**Headteachers**

**Mr Thomas:** To ask the Secretary of State for Education if he will estimate how many (a) primary, (b) secondary and (c) special schools had (i) no permanent headteacher in place and (ii) one or more assistant or deputy head positions vacant in (A) 2010-11 and (B) 2011-12; and if he will make a statement. [107760]

**Mr Gibb [holding answer 17 May 2012]:** The following table provides the number of schools, broken down by phase of education, which reported that their head teacher post was either vacant or temporarily filled. The table also provides the number of schools with at least one vacant or temporarily filled post for deputy or assistant head teachers. The information is for all publicly funded schools in England, November 2010 and 2011. The figures show the position on the day of the School Workforce Census.

<table>
<thead>
<tr>
<th>Number of schools with head and deputy and assistant head teacher vacancies1 by phase, November 2010 and 2011, England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heads</td>
</tr>
<tr>
<td>Vacancies including temporarily filled vacancies</td>
</tr>
<tr>
<td>Of which:</td>
</tr>
<tr>
<td>temporarily filled vacancies3</td>
</tr>
<tr>
<td>Nursery and primary2  Secondary2 Special Nursery and primary2  Secondary2 Special</td>
</tr>
<tr>
<td>November 2010  November 2011  November 2010  November 2011</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>260 30 20 210 30 10</td>
</tr>
</tbody>
</table>

1 Advertised vacancies for full-time permanent appointments (or appointments of at least one term’s duration). Includes vacancies being filled on a temporary basis of less than one term.
2 Includes academies.
3 Temporarily filled vacancies are those that are filled by a teacher on a contract of a term or more and less than one year.

**Notes:**
- Figures are rounded to the nearest 10 schools.
- Source: School Workforce Census

**Home Education**

**Caroline Dinenage:** To ask the Secretary of State for Education what steps his Department has taken to ensure that children who are being educated at home are receiving an education suitable to their age, ability and aptitude, under section 7 of the Education Act 1996; and what criteria are used to define a suitable education. [108256]

**Mr Gibb:** Parents who educate their child at home have a duty to ensure that the child receives an education that is suitable to their age, ability, aptitude and any special educational needs they have. Local authorities have a duty to act where they identify a child that is not receiving a suitable education.

**Rosie Cooper:** To ask the Secretary of State for Education (1) if his Department will conduct an inquiry into Ofsted’s handling of correspondence with hon. Members; [108827]
(2) how many complaints have been made to his Department about a breach of confidentiality by Ofsted in the last 12 months. [108828]

**Mr Gibb:** I refer the hon. Member to the reply given on 19 April 2012, Official Report, column 541W.

**Pre-school Education: North Yorkshire**

**Andrew Jones:** To ask the Secretary of State for Education (1) how many families will be eligible for free early education for the poorest two year-olds in (a) North Yorkshire and (b) Harrogate district; [107752]
(2) how many families in (a) North Yorkshire and (b) Harrogate district are eligible for the extension in hours of childcare available to the poorest families. [107753]

**Sarah Teather:** Since September 2010 all three and four-year-olds have been entitled to 15 hours a week of free early education, up from 12.5 hours.
The Chancellor of the Exchequer announced in the autumn statement of 29 November 2011, *Official Report*, columns 799-810, that the early education entitlement for two-year-olds will be expanded to around 260,000 children. The Government intends to take a phased approach to the implementation of the new entitlement. The 20% most disadvantaged two-year-olds will be eligible from September 2013. From 2014, the entitlement will be extended to around 40% of two-year-olds.

We estimate that around 700 two-year-olds in the area covered by North Yorkshire county council, and less than 100 in the area covered by Harrogate borough council are likely to be eligible for the entitlement from September 2013. We are considering eligibility criteria for the second phase, and will consult in due course.

*Pre-school Education: Nuneaton*

**Mr Marcus Jones:** To ask the Secretary of State for Education (1) how many families he expects to be eligible for the extension in hours of childcare available to the poorest families in Nuneaton constituency; [108712]

(2) how many families he expects to be eligible for free early education for the poorest two-year-olds in Nuneaton constituency. [108713]

**Sarah Teather:** Since September 2010 all three and four-year-olds have been entitled to 15 hours a week of free early education, up from 12.5 hours.

The Chancellor of the Exchequer, the right hon. Member for Tatton (Mr Osborne), announced in the autumn statement that free early education will be extended to around 260,000 two-year-olds. The Government intends to take a phased approach to the implementation of the new entitlement. The 20% most disadvantaged two-year-olds will be eligible from September 2013. From 2014, the entitlement will be extended to around 40% of two-year-olds.

We estimate that around 300 two-year-olds living within Nuneaton and Bedworth borough council are likely to be eligible for the entitlement from September 2013. We are considering eligibility criteria for the second phase, and will consult in due course.

**Procurement**

**Michael Dugher:** To ask the Secretary of State for Education what proportion of payments made by his Department to small and medium-sized enterprises have been paid late since May 2010. [107790]

**Tim Loughton:** The Department does not currently record within its finance systems information about the size of its suppliers. To extract and analyse the data on which the invoices were classed as being paid late would incur disproportionate costs.

For the period April 2011 to March 2012 (financial year 2011-12) invoices paid on behalf of the Department by our shared services provider, 95.20% were paid within 10 days and 99.13% were paid within 30 days.

**Michael Dugher:** To ask the Secretary of State for Education what proportion of his Department’s expenditure on procurement has gone to small and medium-sized enterprises since May 2010. [107794]

**Tim Loughton:** The Department’s spend with SMEs has been reported in the Cabinet Office report, Making Government business more accessible to SMEs - One Year On:


**Pupils: Barnsley**

**Michael Dugher:** To ask the Secretary of State for Education how many pupils attended schools in Barnsley metropolitan borough in each year since 2007. [108009]

**Mr Gibb:** Information on pupil numbers in Barnsley local authority is shown in the following table. Information on pupil numbers as at January 2011 is published in the Statistical First Release ‘Schools, Pupils and their Characteristics, January 2011’ available at:


<table>
<thead>
<tr>
<th>Number (headcount) of pupils by type of school</th>
<th>January each year: 2007 to 2011</th>
<th>Barnsley local authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintained nursery</td>
<td>State-funded primary</td>
<td>State-funded secondary</td>
</tr>
<tr>
<td>2007</td>
<td>n/a</td>
<td>19,941</td>
</tr>
<tr>
<td>2008</td>
<td>n/a</td>
<td>19,490</td>
</tr>
<tr>
<td>2009</td>
<td>n/a</td>
<td>19,242</td>
</tr>
<tr>
<td>2010</td>
<td>n/a</td>
<td>19,247</td>
</tr>
<tr>
<td>2011</td>
<td>n/a</td>
<td>19,245</td>
</tr>
</tbody>
</table>

n/a = Not applicable. No schools of this type.

1 Includes pupils of all ages who are sole or dual main registrations. In PRUs also includes pupils registered with other providers and further education colleges.

2 Includes middle schools as deemed.

3 Includes primary academies.

4 Includes city technology colleges and secondary academies.

5 Includes maintained and non-maintained special schools.

Note:

Totals have been rounded to the nearest five. There may be discrepancies between the sum of constituent items and totals as shown.

Source:

School Census
Pupils: Bullying

Karen Lumley: To ask the Secretary of State for Education what steps his Department is taking to reduce absences from school due to bullying. [108410]

Mr Gibb: The Government wishes to reduce all absences from school, whatever their cause. We highlighted our commitment to making tackling bullying a top priority in our White Paper, ‘The Importance of Teaching’. Our approach is to make sure that schools have the powers they need to tackle bullying, and to make it clear that bullying should never be tolerated and its victims must be supported.

We have strengthened teachers’ powers to maintain discipline in the classroom. It is important that teachers are able to use their powers when they need to, as part of a concerted effort by the school to tackle bullying and bad behaviour. Where a pupil is bullied schools should work with parents to keep the pupil in school.

Pupils: Disadvantaged

Gareth Johnson: To ask the Secretary of State for Education what steps his Department is taking to support children from lower-income families who wish to sit the 11-plus exams. [108549]

Mr Gibb: The Department does not centrally prescribe specific support offered to pupils from lower-income families because we believe that head teachers are best placed to decide how to meet the needs of their pupils. We have introduced a range of reforms to improve outcomes for all pupils in England, including those who are disadvantaged. Pupils registered as eligible for free school meals (FSM), pupils who have been registered as eligible for FSM at any point in the last six years, and pupils who have been looked after in public care continuously for six months or more, attract the pupil premium. For 2012-13 this means that £600 is paid to schools for each disadvantaged pupil on roll to help improve their performance. This is a total of £1.25 billion this year and will rise to £2.5 billion per year by 2014-15.

One of the fundamental principles of the pupil premium—which has been widely welcomed by schools—is that they should be free to decide how to use their pupil premium funding, since they are best placed to assess what additional provision should be made for their pupils. This may include supporting disadvantaged pupils who wish to sit the 11-plus exams.

Schools are also accountable for how well their disadvantaged pupils do: from September 2012, schools will be required to publish information on the use of pupil premium funding; performance tables now include a measure to show the attainment of pupils who attract the premium; and Ofsted inspectors will take into account schools’ provision for these pupils and use of the premium in their inspections.

Pupils: Nuneaton

Mr Marcus Jones: To ask the Secretary of State for Education (1) how many (a) schools and (b) pupils in Nuneaton constituency have participated in the pupil premium in the latest period for which figures are available; [108715]

(2) how much additional funding his Department plans to make available to schools in the Nuneaton constituency as a result of the pupil premium. [108716]

Sarah Teather: The pupil premium was introduced in April 2011 and allocations have so far been made for the 2011-12 financial year only. For 2011-12 the pupil premium funding was £488 per pupil in respect of pupils known to be eligible for free school meals (FSM), and for children in care who have been continuously looked after for at least six months and £200 per pupil for those whose parents are serving in the armed forces. In 2011-12 in Nuneaton constituency 33 schools received the pupil premium in respect of 2,060 eligible pupils, totalling £995,000.

In 2012-13 the pupil premium amount in respect of pupils known to be eligible for FSM has risen from £488 to £600 per FSM pupil and will be extended to cover pupils who have been FSM within the last six years. Allocations for the pupil premium in 2012-13 will not be confirmed until June, when the January 2012 pupil numbers are available centrally. Based on 2011-12 data, £1,836,000 pupil premium funding would be made available in 2012-13 to schools in the Nuneaton constituency.

Redundancy

Mr Redwood: To ask the Secretary of State for Education how many of his Department’s employees have been made redundant in the last two years. [108074]

Tim Loughton: The Department has not made any staff redundant in the last two years but has agreed voluntary early releases.

<table>
<thead>
<tr>
<th>Early releases</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>141</td>
</tr>
<tr>
<td>2011-12</td>
<td>177</td>
</tr>
</tbody>
</table>

Risk Assessment

Mr Thomas: To ask the Secretary of State for Education what strategic or transitional risk registers in each area of policy are held by his Department; and if he will make a statement. [107482]

Mr Gibb: The Department manages its business using project and programme management structures. These organise work into broad programmes which cover sub-programmes and projects. In each of these areas, strategic and transitional risks are actively managed using structures and tools that include risk registers. The Department’s Executive Management Board and its Delivery Audit Risk and Assurance Committee both review and manage the most strategic risks that have been escalated by programmes’ and projects’ risk managers.

School Meals: Gateshead

Ian Mearns: To ask the Secretary of State for Education what the average price of a school meal is in Gateshead. [107727]

Sarah Teather: The Department does not collect this information.

The School Food Trust’s ‘Sixth Annual Survey of Take Up of School Lunches in England July 2011’ shows that the average lunch price was £1.88 in LA catered primary schools, and £1.98 in LA catered secondary
School Meals: Nutrition

Kerry McCarthy: To ask the Secretary of State for Education (1) what information his Department holds on the proportion of (a) free schools and (b) academies opened since September 2010 which have voluntarily complied with the Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007; [107849]

(2) if he will make an assessment of the nutritional standards of school meals at free schools and academies opened since 2010. [107850]

Sarah Teather: The Department does not hold information on the proportion of all free schools and academies, opened since September 2010, who have voluntarily complied with the Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007.

The school food standards, set out in The Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007, apply to maintained schools and, through funding agreements, to academies established prior to the Academies Act 2010. Since the Act, new funding agreements for academies or free schools are not required to specify compliance with the standards. We believe that it is likely that most new academies will continue to comply with the standards, because they will have converted from maintained schools that have always met the standards.

The Secretary of State for Education, the right hon. Member for Surrey Heath (Michael Gove), asked the School Food Trust to look at the approach taken by academies to providing healthy school food. The trust undertook a qualitative study with a mixture of established and new academies, including one free school, and examined the quality of provision to provide a baseline for the sector. The trust published its report on the study on 15 May 2012. This shows that all of the academies interviewed identified food as important and a part of education.

Schools: Asbestos

Annette Brooke: To ask the Secretary of State for Education whether an academy trust would be personally liable for an asbestos exposure claim against the academy. [108132]

Mr Gibb [holding answer 21 May 2012]: An academy trust is a corporate body so its members should not be held personally liable provided they act reasonably and in good faith. An academy trust acts as a single entity with an identity separate from that of its members. Responsibility for actions and decisions, therefore, lies with the whole academy trust rather than its individual members.

Academy trusts are required to have governor liability insurance with a minimum cover of several million pounds. This insurance covers the collective liability of the academy trust acting in good faith.

Schools: Food

Mrs Hodgson: To ask the Secretary of State for Education (1) what assessment he has made of the standard of school food in academies and free schools since the requirement for them to abide by the Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007 was lifted;

(2) what (a) discussions he has had with and (b) representations he has received from representatives of academies and free schools on school food; [107054]

(3) whether he has made an estimate of the number of academies and free schools which are selling food and drink products through tuck shops and vending machines which would not be permitted under the provisions of the Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007; [107056]

(4) what representations (a) he, (b) Ministers and (c) officials in his Department have received from (i) food and drink manufacturers and (ii) vending machine providers on the sale of food and drink products in free schools and academies;

(5) how many and what proportion of free schools and academies operate stay on site policies during school hours;

(6) what guidance his Department issues to free schools and academies on the (a) deployment, (b) content and (c) pricing of vending machines on school premises;

(7) how many free schools and academies have (a) received and (b) been offered sponsorship or donations from (i) food and drink manufacturers and (ii) providers of vending machines or other in-school snack retailing;

(8) whether he plans to take any action in the event that any academies or free schools are found to be supplying school meals and other food which does not meet the Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007.

Sarah Teather: The school food standards, set out in The Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007, apply to maintained schools and, through Funding Agreements, to academies established prior to the Academies Act 2010. Since the Act, new funding agreements for academies or free schools are not required to specify compliance with the standards.

The Secretary of State for Education, the right hon. Member for Surrey Heath (Michael Gove), asked the School Food Trust to look at the approach taken by academies to providing healthy school food. The trust undertook a qualitative study with a mixture of established and new academies, including one free school, and examined the quality of provision to provide a baseline of food provision in academies, and demonstrate the attitudes and intentions of the sector. The report on the

study was published on 15 May 2012. This showed that all of the academies interviewed identified food as an important part of overall education provision. Some academies go over and above the minimum requirements and are offering their pupils high quality, nutritional food. The study showed that the academies outperformed maintained schools in all but one of the food standards, but that there is room for improvement in all schools, as evidenced by the Secondary School Food Survey, published by the School Food Trust on 28 April. This demonstrates that academies appear to be no worse overall at meeting food-based standards at lunchtime than other schools.

The Department takes this matter very seriously, and wants all pupils to have the opportunity to select a healthy, balanced school lunch. The Department will consider this new evidence—and that from the trust’s Secondary School Food Survey—to determine how best to achieve this policy aim.

Ministers and officials have not had discussions or received representations from representatives of academies and free schools; or received representations from food and drink manufacturers or vending machine providers on the sale of food and drink products in free schools and academies.

The Department has not issued guidance to schools, including to free schools and academies, about vending machines. As is the case with maintained schools, free schools and academies may determine whether to have such facilities, and if they do, which items to offer for sale. Vending machines can help some schools to deal more quickly with busy lunchtime services.

The Department does not collect information about the number of schools, including free schools and academies, who have received or been offered sponsorship from either food and drink manufacturers or providers of vending machines or other snack retailing.

The Department does not collect information about the number of free schools and academies that operate stay on site policies during school hours.

Mrs Hodgson: To ask the Secretary of State for Education what recent (a) discussions he has had with and (b) representations he has received from representatives of (i) catering companies, (ii) child health organisations and (iii) other organisations on school food.

Sarah Teather: The Secretary of State for Education, the right hon. Member for Surrey Heath (Michael Gove), met with Jamie Oliver on 23 June 2011 to discuss school food and cooking. I also met recently with my colleague, Zac Goldsmith MP and his constituent Stephanie Wood, of School Food Matters, to discuss school food. Jamie Oliver was due to attend this meeting but cancelled.

The Department has received recent correspondence from MPs and members of the public. Officials have also received correspondence and had discussions with organisations, including the School Food Trust, the Children’s Society, the Children’s Food Campaign, LACA (formerly the Local Authority Caterers Association), Food for Life, Barnardo’s, Save the Children, Sustain, Family Action and the Child Poverty Action Group, on school food and free school meals.

We have not had discussions with, or received any representations from catering companies.

Graham Stringer: To ask the Secretary of State for Education how many schools in England were completely closed for polling purposes on 3 May 2012.

Mr Gibb: The Government is committed to reducing regulatory and administrative burdens on schools. The Department for Education has closed 11 of its arm’s length bodies (ALBs), five have been retained and one has been re-classified as an independent body. Some of the functions and staff of eight ALBs have now transferred into four new Executive agencies (Standard and Testing Agency, Education Funding Agency, Teaching Agency and National College for School Leadership) or into the core Department.

We have already removed a range of unnecessary regulatory duties and subject to parliamentary process, will be removing further burdens in September. In terms of other administrative burdens, we have: cut the volume of guidance issued to schools by more than half; removed the Self Evaluation Form; replaced the FMSiS financial standard; introduced a streamlined inspection framework; removed a number of data collections and made clear that neither the Department nor Ofsted expect teachers to produce written lesson plans for every lesson. These changes are part of a continuing focus on reducing bureaucracy so that schools are able to concentrate on raising standards.

Teachers: Barnsley

Michael Dugher: To ask the Secretary of State for Education how many teaching staff on average there are per child in schools in (a) Barnsley East constituency and (b) Barnsley metropolitan borough.

Mr Gibb: As at November 2010, the within school pupil to teacher ratio for Barnsley East constituency was 19.0 and the overall pupil to teacher ratio for Barnsley local authority was 18.3. The pupil teacher ratios have been calculated by combining pupil numbers from the January 2011 school census with teacher numbers from the November 2010 school work force census.

An update to this information is expected to become available in June 2012.
Teachers: Training

Justin Tomlinson: To ask the Secretary of State for Education if he will consider the use of training days for primary school teachers to refresh their mathematics skills.

[108676]

Mr Gibb: Good quality mathematics teaching in primary schools is fundamental to improving attainment. It ensures children leave primary school proficient and prepared for more complex mathematics in secondary schools. While we encourage primary schools to develop the mathematical subject knowledge of their teachers, it is for the senior leadership within primary schools to decide how training and support for teachers is managed.

The Government is supporting this by providing £6 million over three years for the National Centre for Excellence in the Teaching of Mathematics (NCETM) which coordinates and quality assures continuing professional development for mathematics teachers at primary and secondary level.

JUSTICE
Carbon Emissions

Luciana Berger: To ask the Secretary of State for Justice (1) what his Department’s total level of carbon emissions was between (a) 1 April 2010 and 1 April 2011 and (b) 2 April 2011 and 1 April 2012; (2) what steps his Department took to reduce its carbon emissions in (a) 2010, (b) 2011 and (c) 2012.

[108569]

[108570]

Mr Djanogly: Carbon dioxide emissions from the Ministry of Justice estate between April 2010 and April 2011 amounted to 502,823 tonnes of carbon as reported to the Environment Agency and the Department for Food and Environmental Affairs; this does not include any emissions from transport. The Ministry is unable to provide figures for April 2012 as it is still collating and validating this data.

During 2010-11 and 2011-12 the Ministry of Justice established programmes of work to reduce carbon emissions across the estate. These programmes comprised capital measures including installing voltage optimisation equipment and new energy-efficient boilers: quick wins including installing timer switches, thermostat controls, altering set points for heating and cooling and chillers; and behavioural change campaigns to increase staff awareness. Similar projects will be delivered in 2012-13 as part of our contribution to the Greening Government Commitments.

Conservative Party and Liberal Democrats

Mrs Hodgson: To ask the Secretary of State for Justice (1) what the (a) job title and (b) pay band was of each official, excluding special advisers, recruited by his Department since May 2010 who previously held an elected position as a member of the (i) Conservative party and (ii) Liberal Democrat party; and whether their position was advertised publicly.

[107111]

Mr Kenneth Clarke: The Ministry of Justice does not keep a central record of whether an employee has previously been employed by a political party, or held an elected position as a member of a political party. To obtain this information would require an examination of all staff personal records. This would incur a disproportionate cost. All permanent civil servants to the Ministry of Justice are employed on the basis of fair and open competition through the civil service jobs website.

Mrs Hodgson: To ask the Secretary of State for Justice (1) what (a) grants and (b) contracts his Department has awarded to companies or organisations run by individuals who were previously employed in any capacity by (i) the Conservative party or its elected representatives and (ii) the Liberal Democrat party or its elected representatives since May 2010; what the (A) value and (B) nature was of these contracts; and whether they were publicly advertised;

[107112]

(2) what (a) grants and (b) contracts his Department has awarded to companies or organisations run by individuals who previously held an elected position as a member of the (i) Conservative party and (ii) Liberal Democrat party since May 2010; what the (A) value and (B) nature was of these contracts; and whether they were publicly advertised.

[107113]

Mr Kenneth Clarke: As part of this Government’s Transparency agenda, since 2010 all contracts over the value of £10,000 are published on Contracts Finder.

Mrs Hodgson: To ask the Secretary of State for Justice which individuals have been paid by his Department for consultancy or other services (1) who were previously employed by a political party, or held an elected position as a member of a political party. To obtain this information would require an examination of the background of all workers engaged for consultancy of other services. This would incur a disproportionate cost. The procurement of consultancy is handled by the Ministry in accordance with consultancy and professional services procurement requirements and in line with direction from the Cabinet Office Efficiency and Reform Group.

[107114]

(2) who previously held an elected position as a member of the (a) Conservative Party and (b) Liberal Democrat Party since May 2010; what the (i) cost and (ii) nature was of the services provided; and whether they were publicly advertised.

[107115]

Mr Kenneth Clarke: The Ministry of Justice does not keep a central record of whether an individual engaged for consultancy or other services has previously been employed by a political party, or held an elected position as a member of a political party. To obtain this information would require an examination of the background of all workers engaged for consultancy of other services. This would incur a disproportionate cost. The procurement of consultancy is handled by the Ministry in accordance with consultancy and professional services procurement requirements and in line with direction from the Cabinet Office Efficiency and Reform Group.
Consultants

Mr Thomas: To ask the Secretary of State for Justice how much his Department spent on external consultants, including management consultants, in (a) 2010-11 and (b) 2011-12; and if he will make a statement.

Mr Kenneth Clarke: The Ministry of Justice has spent the following on external consultants, including management consultants, in (a) 2010-11 and (b) 2011-12. The procurement of consultancy is handled by the Ministry in accordance with consultancy and professional services procurement requirements and in line with direction from the Cabinet Office Efficiency and Reform Group. Any consultancy spend over £20,000 is subject to a rigorous Department approval process which is signed off by a senior official.

(a) 2010-11: £3,908,790.33
(b) 2011-12: £3,791,233.67.

The spend figures above are based on MOJ core spend; it does not include any Executive Agencies, arms length bodies or non-departmental public bodies.

Frank Dobson: To ask the Secretary of State for Justice with reference to the answer of 25 April 2012, Official Report, column 918W, on consultants, what payments were made to (a) Accenture, (b) PA Consulting, (c) the Bourton Group and (d) Orion Partners.

Mr Kenneth Clarke: I am unable to answer the right hon. Member at this time. The payment figures requested pre date the current Accounts Payable system. My officials will need to compile data from two historical systems and validate that data before I can answer comprehensively.

I will write to the right hon. Member as soon as possible.

Investigatory Powers Tribunal

Nick de Bois: To ask the Secretary of State for Justice how many complaints the Investigatory Powers Tribunal has received since its establishment; and how many of these complaints have resulted in a ruling being made.

James Brokenshire: I have been asked to reply on behalf of the Home Department.

Information regarding the number of complaints made to the Investigatory Powers Tribunal is publicly available and set out in their annual report for 2010, which contains the number of complaints made annually since 2001 and the rulings and outcomes of those complaints made in 2010. A link to the report can be found at:

http://www.ipt-uk.com/docs/IPTAnnualReportFINAL.PDF

The report states that the number of complaints made to the Tribunal are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>95</td>
</tr>
<tr>
<td>2002</td>
<td>137</td>
</tr>
<tr>
<td>2003</td>
<td>110</td>
</tr>
<tr>
<td>2004</td>
<td>90</td>
</tr>
</tbody>
</table>

The total number of cases upheld since 2000 is 10, one case in 2005, two cases in 2008, one case in 2009, six cases in 2010.

Further detail of cases which the Tribunal has found in favour of complainants can be found on the IPT website:

www.ipt-uk.com

Judges: Northumberland

Sir Alan Beith: To ask the Secretary of State for Justice what representations he has received from magistrates in the Northumbria area on the proposal to appoint two additional district judges; and what the projected cost is of this proposal.

Mr Djanogly: A protocol for creating a District Judge (Magistrates Court) post was agreed between the Ministry of Justice, the Senior Presiding Judge, the Magistrates Association and the National Bench Chairs forum. A consultation was undertaken in accordance with the Protocol for the creation of two District Judge (Magistrates Court) posts in Northumbria. Magistrates were able to make representations in the process via respective Bench Chairs, the Magistrates’ Association, and the Northumbria Advisory Committee. In addition to the consultation six MPs have written to the Minister for Courts after hearing representations from Magistrates in the area.

In 2011 the Ministry of Justice published research carried out by Ipsos MORI on behalf of the Department into the relative cost and efficiency of the lay bench and District Judges. It concluded that the overall costs of the two benches were broadly comparable.

Magistrates

Philip Davies: To ask the Secretary of State for Justice what information his Department holds on the number of magistrates who have a criminal conviction.

Mr Djanogly: This information is not held centrally by my Department. To obtain this information would require a manual check of the individual records of 26,000 magistrates, which would incur disproportionate costs however, prior to being appointed as magistrates, candidates must undergo an enhanced level CRB check.

Manpower

Mr Redwood: To ask the Secretary of State for Justice how many full-time equivalent employees his Department employed in May 2010; and how many it employed at the latest period for which figures are available.
Mr Kenneth Clarke: On 30 April 2010, there were 74,194.85 full-time equivalent (FTE) staff employed and on 31 March 2012 (the latest available figures), there were 66,543.40 FTE.

Mr Redwood: To ask the Secretary of State for Justice how many full-time equivalent employees have (a) left and (b) been recruited to his Department in the last two years.

Mr Kenneth Clarke: In 2010-11, 5,657 employees left the Ministry of Justice and 3,985 people were recruited. In 2011-12, 7,646 employees left the Ministry of Justice and 1,929 were recruited.

Dr Whiteford: To ask the Secretary of State for Justice how many staff (a) his Department and (b) its agencies employs in each parliamentary constituency.

Mr Blunt: The Ministry of Justice has staff in prisons, courts, tribunals and offices across England and Wales and does not keep a central record of the numbers of staff by parliamentary constituency. To identify the numbers of staff in each constituency is a substantial exercise that will incur a disproportionate cost.

Medomsley Secure Training Centre

Mr Nicholas Brown: To ask the Secretary of State for Justice what his policy is on reviewing the management of the prison service at Medomsley Detention Centre for Young Offenders during the 1970s and 1980s; and when he last reviewed the case or sought advice on it from his officials.

Mr Blunt: I regret that I am unable to answer the right hon. Member’s question due to ongoing litigation involving former residents of Medomsley Detention Centre.

Offenders

Priti Patel: To ask the Secretary of State for Justice with reference to the answer of 30 April 2012, Official Report, column 1161W, on offenders, what the name is of each of the 10 offenders with the most recorded convictions; on how many occasions those convictions led to a prison sentence; and if he will provide a breakdown of the offences committed.

Mr Blunt: The following table shows the number of previous convictions for the 10 recorded offenders with the most convictions, broken down by offence type and the number of immediate custodial sentences received. The number of previous convictions included in the answer are prior to the offender’s most recent conviction between the years 2007 and 2010, in England and Wales.

The Ministry of Justice’s guidance on ‘Publicising sentencing outcomes’ makes clear that the decision to publicise the personal details of convicted offenders is one for local areas to make according to local interest in a particular case or cases.

These figures have been drawn from the police’s administrative IT system, the police national computer, which, as with any large scale recording system, is subject to possible errors with data entry and processing. The figures are provisional and subject to change as more information is recorded by the police.

<table>
<thead>
<tr>
<th>Offender</th>
<th>Offence type for which the individual received a conviction</th>
<th>Number of previous convictions</th>
<th>Number of previous convictions which resulted in an immediate custodial sentence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Theft and handling stolen goods</td>
<td>245</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>Summary offences excluding motoring</td>
<td>194</td>
<td>27</td>
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<tr>
<td></td>
<td>Offences outside England and Wales</td>
<td>81</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Violence against the person</td>
<td>15</td>
<td>9</td>
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<tr>
<td></td>
<td>Criminal damage</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Other indictable offences</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Burglary</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Robbery</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Fraud and forgery</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Unknown</td>
<td>1</td>
<td>—</td>
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<td>Total number of convictions</td>
<td>567</td>
<td>181</td>
</tr>
<tr>
<td>2</td>
<td>Fraud and forgery</td>
<td>204</td>
<td>95</td>
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<tr>
<td></td>
<td>Theft and handling stolen goods</td>
<td>71</td>
<td>23</td>
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<tr>
<td></td>
<td>Summary offences excluding motoring</td>
<td>54</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Burglary</td>
<td>38</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Criminal damage</td>
<td>8</td>
<td>3</td>
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<tr>
<td></td>
<td>Other indictable offences</td>
<td>8</td>
<td>6</td>
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<tr>
<td></td>
<td>Breach offences</td>
<td>5</td>
<td>4</td>
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<tr>
<td></td>
<td>Sexual offences</td>
<td>4</td>
<td>3</td>
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<tr>
<td></td>
<td>Violence against the person</td>
<td>2</td>
<td>1</td>
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<tr>
<td></td>
<td>Offences outside England and Wales</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>
Number of previous convictions for the 10 offenders with the highest number of previous convictions as recorded on the Police National Computer, by offence type and number of previous immediate custodial sentences, England and Wales

<table>
<thead>
<tr>
<th>Offender</th>
<th>Offence type for which the individual received a conviction</th>
<th>Number of previous convictions</th>
<th>Number of previous convictions which resulted in an immediate custodial sentence</th>
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</thead>
<tbody>
<tr>
<td>3</td>
<td>Summary offences excluding motoring</td>
<td>352</td>
<td>—</td>
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<tr>
<td></td>
<td>Other indictable offences</td>
<td>24</td>
<td>2</td>
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<tr>
<td></td>
<td>Total number of convictions</td>
<td>376</td>
<td>2</td>
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<tr>
<td>4</td>
<td>Summary offences excluding motoring</td>
<td>341</td>
<td>4</td>
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<td></td>
<td>Other indictable offences</td>
<td>10</td>
<td>2</td>
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<tr>
<td></td>
<td>Criminal damage</td>
<td>5</td>
<td>—</td>
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<tr>
<td></td>
<td>Violence against the person</td>
<td>2</td>
<td>1</td>
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<tr>
<td></td>
<td>Burglary</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Total number of convictions</td>
<td>359</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Summary offences excluding motoring</td>
<td>304</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Other indictable offences</td>
<td>11</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Fraud and forgery</td>
<td>6</td>
<td>2</td>
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<tr>
<td></td>
<td>Theft and handling stolen goods</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Violence against the person</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Drug offences</td>
<td>2</td>
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</tr>
<tr>
<td></td>
<td>Criminal damage</td>
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<td>—</td>
</tr>
<tr>
<td></td>
<td>Total number of convictions</td>
<td>332</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Summary offences excluding motoring</td>
<td>280</td>
<td>1</td>
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<td></td>
<td>Other indictable offences</td>
<td>30</td>
<td>1</td>
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<tr>
<td></td>
<td>Theft and handling stolen goods</td>
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<td></td>
<td>Fraud and forgery</td>
<td>3</td>
<td>2</td>
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<tr>
<td></td>
<td>Drug offences</td>
<td>3</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Violence against the person</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Total number of convictions</td>
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<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Summary offences excluding motoring</td>
<td>286</td>
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</tr>
<tr>
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<td>Other indictable offences</td>
<td>19</td>
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<td></td>
<td>Violence against the person</td>
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<td>Criminal damage</td>
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<td>—</td>
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<td></td>
<td>Total number of convictions</td>
<td>313</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Summary offences excluding motoring</td>
<td>222</td>
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<tr>
<td></td>
<td>Other indictable offences</td>
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<td></td>
<td>Criminal damage</td>
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<tr>
<td></td>
<td>Fraud and forgery</td>
<td>2</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Theft and handling stolen goods</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Burglary</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Violence against the person</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Total number of convictions</td>
<td>310</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>Summary offences excluding motoring</td>
<td>192</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Violence against the person</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Theft and handling stolen goods</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Other indictable offences</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Drug offences</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Criminal damage</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>
Number of previous convictions for the 10 offenders with the highest number of previous convictions as recorded on the Police National Computer, by offence type and number of previous immediate custodial sentences, England and Wales

<table>
<thead>
<tr>
<th>Offender</th>
<th>Offence type for which the individual received a conviction</th>
<th>Number of previous convictions</th>
<th>Number of previous convictions which resulted in an immediate custodial sentence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offences outside England and Wales</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Burglary</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Breach offences</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Summary motoring offences</td>
<td>1</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Fraud and forgery</td>
<td>1</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Total number of convictions</td>
<td>302</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Summary offences excluding motoring</td>
<td>120</td>
<td>23</td>
</tr>
<tr>
<td>Theft and handling stolen goods</td>
<td>75</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Fraud and forgery</td>
<td>16</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Criminal damage</td>
<td>14</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Other indictable offences</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Sexual offences</td>
<td>10</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Violence against the person</td>
<td>9</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Burglary</td>
<td>6</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Drug offences</td>
<td>4</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td>2</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Breach offences</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total number of convictions</td>
<td>268</td>
<td>81</td>
<td></td>
</tr>
</tbody>
</table>

Source:
Ministry of Justice, Police National Computer

Parc Prison

Mrs Moon: To ask the Secretary of State for Justice (1) how many (a) deaths, (b) suicides and (c) incidents of self-harm were reported at Parc Prison, Bridgend, in each of the last five years; and if he will make a statement;

(2) what the percentage of population to certified normal accommodation was for Parc Prison, Bridgend, in each of the last five years; and if he will make a statement;

(3) how many prisoners are held in Parc Prison, Bridgend; and what the (a) operational capacity and (b) certified normal accommodation of Parc Prison, Bridgend, is.

Mr Blunt: The information is as follows.

PQ 109025

Table 1: Deaths and self-harm incidents at HMP Parc

<table>
<thead>
<tr>
<th>Year</th>
<th>Total deaths</th>
<th>Natural causes</th>
<th>Self-harm incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2</td>
<td>285</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>1</td>
<td>189</td>
<td>1</td>
</tr>
<tr>
<td>2008</td>
<td>3</td>
<td>283</td>
<td>3</td>
</tr>
<tr>
<td>2009</td>
<td>3</td>
<td>433</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>387</td>
<td>0</td>
</tr>
</tbody>
</table>

These figures are derived from Safety In Custody Statistics 2010 which can be found at: http://www.justice.gov.uk/statistics/prisons-and-probation/safety-in-custody

The figures for 2011 are due to be published in July 2012.

At prison level, rises or falls in numbers of deaths or self-harm incidents from one year to the next are not a good indicator of underlying trend.

PQs 109026 and 109027

The population, operational capacity and occupancy rate of HMP Parc, as defined by the percentage of population, to in-use certified normal accommodation is published for the last working Friday in April in each of the last five years and is set out in the following table.

As at April each year: | Population | Operational capacity | In use certified normal accommodation | Percentage population to in use certified normal accommodation |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,111</td>
<td>1,114</td>
<td>838</td>
<td>133</td>
</tr>
<tr>
<td>2008</td>
<td>1,181</td>
<td>1,170</td>
<td>838</td>
<td>141</td>
</tr>
<tr>
<td>2009</td>
<td>1,197</td>
<td>1,200</td>
<td>838</td>
<td>143</td>
</tr>
<tr>
<td>2010</td>
<td>1,187</td>
<td>1,200</td>
<td>838</td>
<td>142</td>
</tr>
<tr>
<td>2011</td>
<td>1,464</td>
<td>1,474</td>
<td>1,170</td>
<td>125</td>
</tr>
<tr>
<td>2012</td>
<td>1,432</td>
<td>1,474</td>
<td>1,170</td>
<td>122</td>
</tr>
</tbody>
</table>
Prisons are not expected to accommodate more prisoners than their agreed Operational Capacity. Where centrally held records indicate that population exceeds Operational Capacity, as in April 2008 above, this is due to a number of authorised absences from the prison. An authorised absence can be for a number of reasons, such as release to outside hospital or for release on temporary licence to assist with prisoner resettlement. Release on temporary licence requires a prisoner to be absent from prison for at least one night. These prisoners are required to return to prison after their temporary release has concluded and are therefore counted as part of the prison population.

This information is published monthly on the MOJ website via the following link:


These figures have been drawn from administrative IT systems, which, as with any large scale recording system, are subject to possible errors with data entry and processing.

Parc Young Offender Institution

Mrs Moon: To ask the Secretary of State for Justice how many cases have been referred to an outside adjudicator for breaches of prison rules in Parc Young Offender Institution in each month of the last two years;

(1) how many cases have been referred to an outside adjudicator for breaches of prison rules in Parc Young Offender Institution in each month of the last two years;

(2) how many additional days of imprisonment have been awarded to children in Parc Young Offender Institution by an outside adjudicator for breaches of prison rules in each month of the last two years;

(3) what the ethnicity is of each child awarded additional days of imprisonment by outside adjudicators in Parc Young Offender Institution in each month of the last two years.

Mr Blunt: There have been no (zero) cases referred to an outside adjudicator for breaches of prison rules in Parc under 18 Youth Offenders Institution (YOI) in the last two years and therefore no (zero) additional days of imprisonment awarded to children of any ethnicity.

This data has been provided by the Youth Justice Board (YJB) from Parc under 18 Young Offender Institution (YOI).

These figures have been drawn from YOI records, as such they are subject to possible recording errors and can be subject to change over time.

Prisoners

Mr David Davis: To ask the Secretary of State for Justice how many prisoners were prosecuted for (a) arson and (b) drug offences in each of the last five years.

Mr Blunt: The Ministry of Justice Court Proceedings Database holds information on defendants proceeded against, found guilty and sentenced for criminal offences in England and Wales. This database holds information on offences provided by the statutes under which proceedings are brought but not the specific circumstances of each case. It is not possible to identify from this centrally held information whether a defendant is serving, or has served, a custodial sentence.

The National Offender Management Service (NOMS) takes the incidence of deliberate fire setting (arson) within prisons very seriously and is currently undertaking work to reduce the number of fire incidents in cells. A Cell Fires Reduction Working Group is developing a strategy to tackle the issues.

The Government is committed to tackling the supply of drugs into prisons. As part of the drugs strategy NOMS is investigating new technologies to tackle drugs and mobile phones in prisons. It is also increasing the number of drug free wings in prisons, where increased security measures prevent access to drugs.

David Wright: To ask the Secretary of State for Justice if he will take steps to ensure that prisoners approaching discharge have their benefit and housing entitlements reviewed to ensure they can fully rehabilitate themselves on leaving prison.

Mr Blunt: Prisoners are asked about benefits by DWP staff working in prisons at induction. Since March all offenders have their jobseeker’s allowance (JSA) claims processed prior to release by Jobcentre Plus employment benefit advisers who also provide advice on employment opportunities and financial support. Those applying for JSA on release are mandated to the Work programme on day one, expected to be 30,000 a year. This also applies to those who claim JSA within 13 weeks.

In order to avoid losing tenancies and housing benefits, NOMS carries out an Initial Housing Needs Assessment (IHNA) within four days of reception into custody. Prisons are also required to ensure that offenders are able to access existing housing advice services in the community. This advice is provided either by trained prison staff, or by voluntary sector providers such as Nacro, St Giles Trust, St Mungos’ and Shelter.

Prisoners’ Incentives and Earned Privileges Scheme

Simon Reevell: To ask the Secretary of State for Justice what recent assessment he has made of the Incentives and Earned Privilege Scheme.

Mr Blunt: Prison Rule 8 and Young Offender Institution (YOI) Rule 6 require every prison and YOI to provide a system of privileges which can be granted to prisoners or young offenders in addition to the minimum entitlements under the rules, subject to their reaching and maintaining specified standards of conduct and performance. The national Incentives and Earned Privileges Scheme (IEP) policy framework applies to all prison and YOIs, but governors or directors may exempt prisoners from the scheme who have progressed onto a structured resettlement programme, for whom other forms of incentive will apply.

All prison governors have devolved responsibility to operate a local scheme of incentives and earned privileges based upon the principles established under the national IEP policy framework. The national policy framework requires that establishments review and evaluate their own schemes annually to ensure it continues to be relevant to their local aims and population, including different ethnic groups.

The national IEP policy framework was reviewed in 2010-11 as part of the National Offender Management...
Service (NOMS) Specification, Benchmarking and Costing Programme, with the IEP scheme forming a component part of the Residential Services Specification. A revised Prison Service Instruction (PSI 11/2011) was also issued, a copy of which is in the House Library. PSI 11/2011 did not introduce any substantive changes to the previous national IEP policy framework.

More recently an internal audit of the system was carried out as part of the NOMS’s 2011-12 Audit Plan.

**Prisoners’ Release: Foreign Nationals**

Priti Patel: To ask the Secretary of State for Justice with reference to the answer of 16 June 2011, Official Report, columns 920-3W, on foreign nationals: prisoners, how many foreign nationals convicted of (a) rape, (b) sexual offences against children, (c) other sexual offences and (d) a violent offence were released from prison after serving custodial sentences of (i) less than one year, (ii) between one and two years, (iii) between two and three years, (iv) between three and four years, (v) between four and five years, (vi) between five and six years, (vii) between six and seven years, (viii) between seven and eight years, (ix) between eight and nine years, (x) between nine and 10 years, (xi) between 10 and 11 years, (xii) between 11 and 12 years, (xiii) between 12 and 15 years, (xiv) between 15 and 20 years and (xv) over 20 years in 2011. [109042]

Mr Blunt: The following table shows the number of foreign national prisoners released from determinate sentences for (a) rape, (b) other sexual offences, and (c) violence against the person, by detailed sentence length band in 2011. From the data held centrally, it is not possible to separately identify those offenders convicted of sexual offences against children; they are included with other sexual offences.

### Foreign national prisoners discharged from determinate sentences, for rape, other sexual offences and violence against the person, England and Wales, 2011

<table>
<thead>
<tr>
<th>Sentence Length Band</th>
<th>Rape</th>
<th>Other Sexual Offences</th>
<th>Violence against the Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>101</td>
<td>138</td>
<td>1,172</td>
</tr>
<tr>
<td>Less than one year</td>
<td>0</td>
<td>58</td>
<td>818</td>
</tr>
<tr>
<td>1 year to less than 2 years</td>
<td>2</td>
<td>30</td>
<td>145</td>
</tr>
<tr>
<td>2 years to less than 3 years</td>
<td>2</td>
<td>14</td>
<td>67</td>
</tr>
<tr>
<td>3 years to less than 4 years</td>
<td>7</td>
<td>9</td>
<td>41</td>
</tr>
<tr>
<td>4 years to less than 5 years</td>
<td>10</td>
<td>9</td>
<td>35</td>
</tr>
<tr>
<td>5 years to less than 6 years</td>
<td>13</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>6 years to less than 7 years</td>
<td>11</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>7 years to less than 8 years</td>
<td>13</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>8 years to less than 9 years</td>
<td>9</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>9 years to less than 10 years</td>
<td>10</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>10 years to less than 11 years</td>
<td>10</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>11 years to less than 12 years</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>12 years to less than 15 years</td>
<td>10</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>15 years to less than 20 years</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>201</td>
<td>238</td>
<td>2,332</td>
</tr>
</tbody>
</table>

Note: The data presented in this table are drawn from administrative IT systems. Although care is taken when processing and analysing the returns, the detail collected is subject to the inaccuracies inherent in any large scale recording system.

**Prisoners: Repatriation**

Priti Patel: To ask the Secretary of State for Justice how many foreign national prisoners from EU countries were transferred to the country of their nationality under the Council of Europe’s prisoner transfer arrangements in each of the last five years. [108902]

Mr Blunt: From 1 January 2007 to 31 December 2011 a total of 258 prisoners have been transferred from England and Wales to the European Union member state of their nationality under the Council of Europe Convention on the Transfer of Sentenced Persons. The breakdown for each of the last five years is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>102</td>
</tr>
<tr>
<td>2008</td>
<td>60</td>
</tr>
<tr>
<td>2009</td>
<td>36</td>
</tr>
<tr>
<td>2010</td>
<td>38</td>
</tr>
<tr>
<td>2011</td>
<td>22</td>
</tr>
</tbody>
</table>

The transfer of prisoners from Scotland and from Northern Ireland under the Convention is a matter for the relevant devolved Administration.

**Prisons**

Mr David Davis: To ask the Secretary of State for Justice how many incidences of (a) arson and (b) drug dealing were recorded in prisons in each of the last five years. [108503]

Mr Blunt: Information on the number of incidents of arson and drug dealing in prisons in the past five years is not held centrally. Recorded instead is the number of fire and drugs incidents.

The number of fire and drugs incidents occurring in prisons in England and Wales in each of the past five years is given in the following table:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Fire</th>
<th>Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>1,066</td>
<td>5,582</td>
</tr>
<tr>
<td>2008-09</td>
<td>1,046</td>
<td>5,451</td>
</tr>
<tr>
<td>2009-10</td>
<td>906</td>
<td>4,962</td>
</tr>
<tr>
<td>2010-11</td>
<td>950</td>
<td>4,204</td>
</tr>
<tr>
<td>2011-12</td>
<td>966</td>
<td>4,638</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,934</td>
<td>24,837</td>
</tr>
</tbody>
</table>

Drug incidents include seizures of drugs and drug taking paraphernalia. Fire incidents include all fires occurring in prisons including small cell fires. The number of these incidents that relate specifically to arson and drug dealing cannot be differentiated without incurring disproportionate cost.
All figures in this answer have been drawn from live administrative data systems which may be amended at any time. Although care is taken when processing and analysing the returns, the detail collected is subject to the inaccuracies inherent in any large scale recording system. These figures may change should any further incidents relating to this period be identified and reported.

The National Offender Management Service (NOMS) takes the incidence of deliberate fire setting (arson) within prisons very seriously and is currently undertaking work to reduce the number of fire incidents in cells. A Cell Fires Reduction Working Group is developing a strategy to tackle the issues.

The Government is committed to tackling the supply of drugs into prisons. As part of the drugs strategy NOMS is investigating new technologies to tackle drugs and mobile phones in prisons. It is also increasing the number of drug free wings in prisons, where increased security measures prevent access to drugs.

Probation

**Mr Amess:** To ask the Secretary of State for Justice how much was spent on (a) involuntary and (b) voluntary exit schemes at Essex Probation for staff at each grade in each year since 2009-10; how much it plans to spend in 2012-13; and if he will make a statement.

**Mr Blunt:** There have been no involuntary or voluntary exit schemes in Essex Probation Trust in 2009-10 or subsequent years and no schemes are planned for 2012-13.

Essex Probation contributed £25,000 towards the cost of an involuntary exit scheme relating to the closure of the East of England Probation Training Consortium in 2009-10. The six probation areas in the East of England region contributed a total of £90,000.

**Mr Amess:** To ask the Secretary of State for Justice how many such appeals were successful; and if he will make a statement.

**Mr Blunt:** The following table shows the total number of Freedom of Information requests received by Essex Probation Trust since 2005.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
</tr>
<tr>
<td>2010</td>
<td>6</td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>3</td>
</tr>
<tr>
<td>2006</td>
<td>1</td>
</tr>
<tr>
<td>2005</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
</tr>
</tbody>
</table>

**Mr Amess:** To ask the Secretary of State for Justice on what date each property (a) owned and (b) leased by Essex Probation service was opened for occupation by the service; and what the estimated monetary value is of each such property.

**Mr Blunt:** Most of the estate occupied by Essex Probation Service was transferred to the Secretary of State (currently for Communities and Local Government) on 1 April 2001 by the Transfer of Property (Local Probation Boards and the Children and Family Court Advisory Service) Order 2001. Essex Probation also occupies offices in nine court buildings.

<table>
<thead>
<tr>
<th>Probation service properties in Essex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>Cartway House, Basildon</td>
</tr>
<tr>
<td>Five Wells, Thurrock</td>
</tr>
<tr>
<td>Ashby House, Chelmsford</td>
</tr>
<tr>
<td>Raygate House, Colchester</td>
</tr>
</tbody>
</table>

**Mr Amess:** To ask the Secretary of State for Justice what steps (a) he has taken since 2010 and (b) he plans to take during the next six months to reduce the time spent by probation officers employed by probation services on paperwork and administrative tasks; and what estimate he has made of the time spent by probation officers on paperwork and administrative tasks in an average (i) day, (ii) week and (iii) month in the latest period for which figures are available.

**Mr Blunt:** In March 2010, the National Offender Management Service (NOMS) launched an Offender Engagement Programme to deliver improved outcomes, including reduced reoffending, by increasing the quantity and quality of one-to-one engagement between probation practitioners and offenders. This includes work to reduce the bureaucratic demands on operational staff. The number of targets probation trusts are measured against has been reduced by 40%, allowing a greater focus on achieving outcomes as opposed to measuring inputs and processes. The National Standards for the Management of Offenders have been revised so as greatly to reduce the burdens they place on front-line staff.

Work to focus resources on the front line is progressing. In the next six months, the Offender Engagement Programme will continue to test and make available new evidence-based approaches to support front-line practitioners.

Delivery structures across probation trusts vary, as do the requirements of specific roles, and NOMS does not routinely collect data on the proportion of time spent on paperwork and administrative tasks. In December 2008, a snapshot survey over a one-week period, based on a small sample of probation officers (POs) and probation service officers (PSOs), found that across England and Wales, 24% of PO/PSO time was spent in direct contact with offenders; 41% on computer activity; and 35% on other activities—such as dealing with correspondence, meetings, travel, etc. However, these results should be treated with caution. This was a quick survey to provide information to management; the methodology did not meet the rigorous standards applicable to published research.

Proper
Mr Amess: To ask the Secretary of State for Justice what relevant specialist qualifications the Chief Executive of Essex Probation service holds; what process was followed in their appointment; where the post was advertised; how many people applied for the post; how many were short-listed for interview; how each was appraised; and if he will make a statement.  

Mr Blunt: Mary Archer was appointed Chief Executive of Essex Probation Trust on 1 April 2010. She had previously been Chief Officer of Essex Probation Board. The appointment, by the Secretary of State, followed an assessment process which included an interview with the Director of Offender Management for the East of England and the Trust Chair Designate. The purpose of the interview was to ascertain whether the candidate had the skills needed in the new role and to test her understanding of the new relationship with the Trust and the National Offender Management Service.

Mary Archer has 30 years experience in every aspect of the work of the probation service. She holds a Certificate of Qualification in Social Work and a Chartered Institute of Personnel and Development Diploma. She is a member of the Executive of Essex Probation service.

Redundancy

Mr Redwood: To ask the Secretary of State for Justice how many of his Department’s employees have been made redundant in the last two years.

Mr Kenneth Clarke: For 2011-12, the Ministry of Justice (including its Executive agencies) had 40.1 full-time equivalent (FTE) staff undertaking full-time employee representative duties. The number of part-time representatives is estimated to equate to 128.9 FTE.

As there are no central records held on the grades and pay rates of staff deployed on local employee representative duties, a disproportionate cost will be incurred to obtain this information.

For individual probation trusts there are no central facility time records. This is locally managed and to obtain this information will incur disproportionate cost. Of the other non-departmental public bodies, the Youth Justice Board (YJB) and Legal Services Commission (LSC) have their own employee representatives and facility time arrangements. There were no full-time representatives and 0.05 FTE part-time representatives in the YJB. There are 30 part-time trade union representatives in the LSC.

The Ministry of Justice and its non-departmental public bodies do not differentiate between trade union duties and activities when allocating facility time to representatives. The data are not held centrally and could not be provided without incurring disproportionate cost.

Risk Assessment

Mr Thomas: To ask the Secretary of State for Justice what strategic or transitional risk registers in each area of policy are held by his Department; and if he will make a statement.

Mr Kenneth Clarke: Within the Ministry of Justice, the Justice Policy Group is responsible for the delivery of policy. The Group maintains a risk register which is updated on a monthly basis to monitor top risks to the delivery of particular policies. In addition, risk registers are maintained by the Department in the following policy areas:

the Family Justice Review Implementation Programme, jointly with the Department of Education;

the implementation of the reforms on civil litigation and costs; and

the Offender Services Competition Portfolio Strategic Risk Register, maintained by the National Offender Management Service.

Trade Unions

Priti Patel: To ask the Secretary of State for Justice (1) how many trade union representatives in (a) his Department and (b) each of its non-departmental public bodies had (i) part-time and (ii) full-time paid facility time arrangements in 2011-12; (2) how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) each of its non-departmental public bodies in 2011-12; and at what cost to the public purse; (3) how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) each of its non-departmental public bodies for trade union (i) duties and (ii) activities in 2011-12.

Mr Kenneth Clarke: Copies of the current agreements for the Ministry of Justice will be placed in the Library. The Legal Services Commission and Youth Justice Board do not have formal facilities agreements covering their facility time arrangements.

The Department and its non-departmental public bodies will revise their facilities agreements following the forthcoming central review of facility time.
Priti Patel: To ask the Secretary of State for Justice how many trade union representatives in (a) his Department and (b) each of its non-departmental public bodies have faced disciplinary action for abusing paid facility time or public resources in each of the last five years.

Mr Kenneth Clarke: No trade union representative in either the Ministry of Justice or its non-departmental public bodies has faced disciplinary action in each of the last five years for abusing facility time or public resources.

Priti Patel: To ask the Secretary of State for Justice how many meetings have taken place between (a) his Department and (b) its non-departmental public bodies and trade union representatives utilising paid facility time in each of the last five years to discuss (i) collective bargaining, (ii) redundancies, (iii) negotiations relating to employment, pay and conditions and (iv) other trade union and industrial relations duties; and what the dates and times of each meeting.

Mr Kenneth Clarke: Management in both the Ministry of Justice and its non-departmental public bodies meet regularly with trade union representatives at national and local levels to consult on a range of issues as detailed in the Trade Union and Labour Relations (Consolidated) Act 1992. We do not maintain central records of all meetings that have been held, and to collate this information would incur disproportionate cost.

Priti Patel: To ask the Secretary of State for Justice on how many occasions trade union representatives from (a) his Department and (b) each of its non-departmental public bodies have utilised paid facility time to represent an employee at a meeting or other industrial relations matter in each of the last five years.

Mr Kenneth Clarke: Employees facing disciplinary procedures are legally entitled to representation from their trade union representative. We do not retain central records of instances where this has occurred in the Ministry of Justice or its non-departmental public bodies and to collate this information would incur disproportionate cost.

Young Offenders

Robert Flello: To ask the Secretary of State for Justice (1) how many young people in all parts of the secure youth estate transferred to the adult estate due to their age are not recorded centrally. The numbers can only be determined by checking individual records.

(2) It is not possible to answer this question directly from centrally held records. However, we can provide information based on the offenders’ ages at the time of death and when they first came into custody. As the adult prison estate can be defined as either those aged 18 and above or those aged 21 and above the following table shows the annual numbers of self-inflicted deaths for both age boundaries:

(i) those aged 18 or more who were under 18 when they were first admitted to custody,

(ii) those aged 21 or more who were under 21 when they were first admitted to custody

(3) Information on the custodial history of prisoners’ parents are not recorded centrally. As a result the numbers of children in any part of the secure youth estate that come from families where one or both parents have been in prison are unknown.

Mr Blunt: It is not possible from the Department’s reoffending data to identify young people released form the adult estate who had previously been held in any part of the youth estate. However the following table shows the percentage of young people aged 18 to 20 years and 21 to 24 years who reoffended within one year of their release from prison in each year between 2005 and 2009 (the latest full calendar year available).

These figures are from the Ministry of Justice’s published proven reoffending statistics for England and Wales. Proven reoffending is defined as any offence committed in a one year follow-up period and receiving a court conviction, caution, reprimand or warning in the one year follow-up. Following this one year period, a further six month waiting period is allowed for cases to progress through the courts.
Young Offenders: Greater Manchester

Andrew Gwynne: To ask the Secretary of State for Justice how many young adult offenders aged 18 to 20 years from the Metropolitan borough of Tameside were held in (a) young offender institutions, (b) local prisons, (c) women’s prisons and (d) other parts of the secure estate, in each month since May 2009.

Mr Blunt: All young offenders serving sentences of DYOI are held in appropriately designated young offender institution (YOI) accommodation within the prison estate. The majority of this accommodation is in dedicated YOIs, although some establishments in the estate have a dual designation (designated both as a prison and a YOI) and hold both adult prisoners and young offenders.

The following table shows the number of offenders aged 18 to 20-years-old from the Metropolitan borough of Tameside who were held in predominant function male young offender Institutions, predominant function male local prisons, predominant function female prisons and other prisons on a set day in each month where data are available since May 2009. The data have only been recorded centrally since May 2009 and from September 2010 are available on a bi-monthly basis.

<table>
<thead>
<tr>
<th>Prison function</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May</td>
<td>Sep</td>
<td>Nov</td>
<td>Jan</td>
</tr>
<tr>
<td>(a) Young offender institutions</td>
<td>22</td>
<td>17</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>(b) Local prisons</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>(c) Women’s prisons</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>(d) Other parts of the secure estate</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

These figures have been drawn from administrative IT systems, which, as with any large scale recording system, are subject to possible errors with data entry and processing.

Information on offenders’ residences is provided by offenders on reception into prison and recorded on a central IT system. Addresses can include a home address, an address to which offenders intend to return on discharge or next of kin address and these figures are provided in the table above.

If no address is given, an offender’s committal court address is used as a proxy for the area in which they are resident. These figures are also included in the table above. No address has been recorded and no court information is available for around 3% of all offenders, these figures are excluded from the table above.

Youth Justice Board

Mrs Moon: To ask the Secretary of State for Justice what estimate he has made of the amount the Youth Justice Board will pay on average per place in a (a) local authority secure children’s home, (b) secure training centre and (c) young offender institution, including VAT where applicable, as of 2 April 2012; and if he will make a statement.

Mr Blunt: The average price per place, including VAT where applicable, for the different sectors of the children and young people’s secure estate as of 1 April 2012, are set out in the following table:

<table>
<thead>
<tr>
<th>Service</th>
<th>Average price per place per year as of 1 April 2012 (to the nearest £000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure Children’s Homes (SCH)</td>
<td>212,000</td>
</tr>
<tr>
<td>Secure Training Centres (STC)</td>
<td>188,000</td>
</tr>
<tr>
<td>Young Offender Institutions (YOI)</td>
<td>60,000</td>
</tr>
</tbody>
</table>

Notes:
1. While some contract costs are being met from within Ministry of Justice (MOJ) budgets, responsibility for commissioning secure accommodation places remains with the Youth Justice Board (YJB) and therefore the price per place includes all contracts relating to that particular sector, with VAT included on the YJB paid contracts and excluded from the MOJ paid contracts.
2. These figures are not intended to represent the total price of providing custody and related services to young people. For example, they do not include YJB funding to NOMS Prisoner Escort Management for the provision of prison escort and custodial services for young people. They also do not include YJB funding for reliance escorts, who undertake movements for sentenced young people between courts and secure training centres and secure children’s homes and for transfers between these sectors.
3. Differences in the YJB funding streams included for these 2012-13 prices from the prices published for 1 April 2011 (2011-12 prices) are that:
   a. The YJB no longer commissions health services as part of contracts for secure children’s home places;
   b. Social worker funding to young offender institutions is included.
4. Advocacy services funded by the YJB are included in secure training centre and young offender institution prices, based upon a full year’s budget allocation calculated using prices as at 1 April 2012. Advocacy services required to be provided by local authorities for secure children’s homes are part-funded through YJB contracts for these places.
5. For court ordered secure remand places in the secure training centre sector, the YJB recovers one third of the costs from young people’s home local authorities.
6. The YJB has since 1 April 2011 no longer had funding responsibility for young people’s substance misuse services. The YJB does still pay a young people’s substance misuse services contribution for young people’s places at HMP and YOI Parc.
7. For the Young Offender Institution sector price:
   a. Different types of young offender institution services are covered: private and public sector young offender institutions, young women’s dedicated units, long-term (sentenced) units, and the Keppel Unit;
   b. For public young offender institutions, the MOJ business rates, maintenance charges and capital charges have been estimated based upon 2010-11 levels and revised to reflect changes to the children’s and young peoples estate since that time. The 2011-12 charges are currently being agreed by MOJ Estates Group and the YJB;
   c. YJB funding for the contract for Lucy Faithfull Foundation services is included;
   d. YJB funding for the central juvenile awareness staff programme (JASP) is included: JASP is currently being revised and so young offender institution-level budgets will not be agreed until the cost-impact of the revisions has been analysed.
WORK AND PENSIONS

Atos Healthcare

Tom Greatrex: To ask the Secretary of State for Work and Pensions with reference to the answer of 1 May 2012, to the hon. Member for Cardiff West, Official Report, column 1470W, on Atos, what the monetary value was of each contract between his Department and Atos in (a) 2008-09, (b) 2009-10 and (c) 2010-11.

Chris Grayling: The spend values for the five DWP contracts with Atos are as follows:

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Spend in 2008-09</th>
<th>Spend in 2009-10</th>
<th>Spend in 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Services</td>
<td>111,800</td>
<td>99,100,000</td>
<td>112,800,000</td>
</tr>
<tr>
<td>告诉我</td>
<td>2,568,409</td>
<td>2,214,608</td>
<td>2,471,873</td>
</tr>
<tr>
<td>Once Release A</td>
<td>22,933,466</td>
<td>20,560,958</td>
<td>15,745,685</td>
</tr>
<tr>
<td>Occupational Health</td>
<td>0</td>
<td>0</td>
<td>9,840,000</td>
</tr>
<tr>
<td>Community Action</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Programme</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. There are £0 spend values against the Community Action Programme contract because (a) it did not exist in until November 2011 and (b) the outcome based payment model used will only see costs becoming due in early 2012-13.
2. There are £0 spend values against the Occupational Health contract because it did not exist in the 2008-09 and 2009-10 financial years.

Carbon Emissions

Luciana Berger: To ask the Secretary of State for Work and Pensions what progress has been made on the allocation of grants to user-led organisations to support disabled people; and what level of grants have been made (a) nationally and (b) in Yorkshire and the Humber in the latest period for which figures are available.

Chris Grayling: Data on carbon emissions are collected and published for the period 1 April to 31 March each year. The Department’s total level of carbon emissions for 2010-11 and 2011-12 is shown in the following table.

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2011-12</th>
<th>tCO2e emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2010 to 31 March 2011</td>
<td>187,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 April 2011 to 31 March 2012</td>
<td>156,796</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Child Support Agency

Mr Buckland: To ask the Secretary of State for Work and Pensions if he will take steps to ensure the Child Support Agency makes full use of its enforcement powers; and if he will take steps to ensure it makes such use of its enforcement powers after reform of the agency in 2013.

Maria Miller: The Child Maintenance and Enforcement Commission is responsible for the child maintenance system. I have asked the Child Maintenance Commissioner to write to the hon. Member with the information requested and I have seen the response.

Letter from Noel Shanahan:

In reply to your recent Parliamentary Question about the Child Support Agency, the Secretary of State promised a substantive reply from the Child Maintenance Commissioner as the Child Support Agency is now the responsibility of the Child Maintenance and Enforcement Commission.

You asked the Secretary of State for Work and Pensions, if he will take steps to ensure the Child Support Agency makes full use of its enforcement powers; and if he will take steps to ensure it makes such use of its enforcement powers after reform of the agency in 2013.[107831]

The Commission has at its disposal a range of strong enforcement powers, intended to ensure all parents fulfil their financial responsibilities towards their children; and we are using all of the powers available to us where it is appropriate to do so - for example, we are increasing the use we make of deductions from non-resident parents’ bank accounts and orders for sale of their property. In fact, the latest figures in the March 2012 Child Support Agency Quarterly Summary of Statistics show deduction of monies from bank accounts has trebled since 2009. Additionally, driving disqualifications for non-payment have risen eightfold since 2008. Enforcement information is routinely published in the Child Support Agency Quarterly Summary of Statistics which is available using the following link:


It is important to note that the Commission will need to take into consideration, when deciding if and what type of enforcement action to take, a number of factors including the welfare of any relevant children involved and the likelihood of collecting monies owed. Taking enforcement action can be a costly process, particularly in cases where the non-resident parent is determined not to pay - we must therefore take this into consideration and ensure we maximise the efficiency and effectiveness of our enforcement system. There is nothing to be gained by pursuing expensive court action in cases where this has little chance of ensuring people meet their obligations and securing money for children.

In the future, the introduction of the new child maintenance scheme will bring greater automation and in turn more alerts to identify quickly people who fall into debt. Once the new scheme is introduced, this will give us additional capacity to pursue effective enforcement action against those who continue to evade their responsibilities.

The Government has recently reconfirmed its commitment to introducing further enforcement powers for use against parents who refuse to pay, when the time is right. The proposed forthcoming integration of the child maintenance system into the Department for Work and Pensions will ensure full Ministerial accountability for the use of these far-reaching powers.

Disability: Grants

Andrew Jones: To ask the Secretary of State for Work and Pensions what progress has been made on the allocation of grants to user-led organisations to support disabled people; and what level of grants have been made (a) nationally and (b) in Yorkshire and the Humber in the latest period for which figures are available.

Maria Miller: Since the launch of the Disabled People’s User-Led Organisations programme in July 2011, a variety of local disabled people’s user-led organisations throughout England have benefited from both financial and non financial support.

Since September 2011, six Facilitation Fund Boards have been held, 61 applications have been considered and of these 41 have been successful.

The total amount awarded to date is £509,124.

In the Yorkshire and Humberside area five organisations have been successful and received awards totalling £49,227.

The average value of an award made to DPULOs in the Yorkshire and Humberside area is £9,845.

The programme encourages DPULOs to develop innovative ideas to support disabled people. For example, in Yorkshire and Humberside funding has been awarded to develop a new model of delivering social care.
Employment Schemes: East Midlands

Gloria De Piero: To ask the Secretary of State for Work and Pensions how many people are on the Work Programme in (a) Ashfield constituency, (b) Nottinghamshire and (c) the east Midlands.

Chris Grayling: Official statistics on Work programme referrals and attachments up to the end of January 2012 were published on 9 May 2012. The information requested can be found via the Tabulation Tool which is published on the Department’s website:

http://83.244.183.180/WorkProg/tabtool.html

Gloria De Piero: To ask the Secretary of State for Work and Pensions how many people in Ashfield constituency have been on the Work Programme for more than 12 months.

Chris Grayling: The Work Programme started in June 2011. Official statistics on Work Programme referrals and attachments up to the end of January 2012 were published on 9 May 2012. The information requested can be found via the Tabulation Tool which is published on the Department’s website:

http://83.244.183.180/WorkProg/tabtool.html

Jobcentre Plus: Training

Mr Evennett: To ask the Secretary of State for Work and Pensions what training Jobcentre Plus staff receive to assist people with learning disabilities.

Chris Grayling: The Department for Work and Pensions policy is to develop its staff in the skills required to support a range of customers and claimants, to respect their individual needs, including those related to their health conditions. This approach ensures that they are skilled to deal with a diverse set of circumstances, while treating everyone as individuals.

All Jobcentre Plus staff receive foundation learning which covers excellent customer service, diversity and claimants’ needs. This learning encompasses the wide range of circumstances that our claimants may have, some less obvious than others, and stresses how important it is to look for signs where the claimant does not give us this information directly and to offer appropriate support.

Jobcentre Plus personal advisers, in particular, have access to a comprehensive learning programme. The training focuses on raising awareness of the individual’s personal circumstances, and also recognises that disabilities and health conditions can affect individuals in different ways. Disability employment advisers receive additional learning appropriate to this specialist area. Their training has been designed in conjunction with specialist DWP occupational psychologists to enable advisers to provide effective support to people with particular complex needs.

All staff have access to the Hidden Impairment Toolkit which provides practical advice and guidance on how best to support individuals into employment. This approach enables the anticipation of reasonable adjustments at appropriate stages of the individual’s journey to work.

Jobseeker’s Allowance: Lone Parents

Cathy Jamieson: To ask the Secretary of State for Work and Pensions how many lone parents are in receipt of jobseeker’s allowance in Kilmarnock and Loudoun constituency.

Chris Grayling [holding answer 22 May 2012]: These statistics have not previously been published as official statistics. We will consider whether to include the statistics requested in part of an upcoming statistics release in line with the Code of Practice on Official Statistics.

For information, the headline volumes broken down by age of youngest child, age of lone parent, gender, ethnicity and region are available at:


Personal Independence Payment

Mrs McGuire: To ask the Secretary of State for Work and Pensions how many disabled young people aged between 16 and 25 years his Department consulted on the design of the personal independence payments assessment; and what the format was of consultation.

Maria Miller: The assessment for personal independence payment is being designed to be applicable to individuals from age 16 onwards. Our proposals for the assessment criteria have been developed in collaboration with a group of independent experts in health and disability and with considerable input from disabled people and disability organisations. We have recently completed a 15-week public consultation on the second draft of the personal independence payment assessment criteria, receiving around 1,000 responses, including representations from the National Deaf Children’s Society, Contact a Family, Every Disabled Child Matters and The Children’s Society. Information is not held on the number of respondents to the consultation who were disabled young people.

We are currently considering all of the comments received in the consultation very carefully as we evaluate what further improvements to the assessment criteria need to be made. We intend to publish a response to the consultation alongside a revised draft of the assessment criteria later in the year, once our considerations are complete.

In addition to this ongoing work in respect of the assessment criteria, we have engaged and will continue to engage extensively with some of the main organisations representing disabled young people as well as individuals themselves as we develop our proposals for delivery of personal independence payment for this group.

Mr David: To ask the Secretary of State for Work and Pensions what steps his Department has taken in implementing the personal independence payment to ensure that those carrying out face-to-face assessments have information and training on deafblindness.

Maria Miller: The Department is currently in the process of tendering for providers to deliver the personal independence payment assessment from the recently
announced Health and Disability framework, with a view to signing contracts with the successful providers by summer 2012.

The assessment will require the assessor to look at the impact of conditions and impairments on individuals’ everyday lives. This requires a very different skill set from those involved in the treatment of individuals, with less need for specialist knowledge. It is therefore not our intention to make assessors experts in every condition.

Assessors will all be trained and experienced health professionals and will be required to have a broad training in disability analysis as well as on specific impairments, including sensory impairments such as deafblindness. This training will be supported by guidance documents.

We will also seek to work with disabled people and their representatives—including those representing people who are deafblind—exploring the scope for involving them in detailed plans for implementing the new benefit, including where possible in the development of training and guidance material; to ensure that they are appropriate.

Mr David: To ask the Secretary of State for Work and Pensions what steps his Department has taken in implementing the personal independence payment to ensure that disabled people with long-term conditions will not need to attend face-to-face assessments where there is sufficient written evidence.

Maria Miller: We believe it is right for the assessment to look at disabled people as individuals and not just label them by their health condition or impairment. That’s why personal independence payment is being designed to consider an individual’s personal circumstances and the support they need, rather than basing eligibility on any medical condition.

Although we believe that face-to-face consultations will be an important part of the assessment process, we have made very clear that we intend to deliver this policy in a sensitive and proportionate way. Therefore, where we already have enough written evidence on which to make an accurate assessment of the claimant, such as from the claimant themselves or from individuals involved in supporting the claimant, such as their GP, specialist or social worker, it would be inappropriate—and a waste of public money—to require these individuals to attend such a consultation. Individuals with long-term health conditions or impairments are particularly likely to have such evidence available to support their claim in this way.

Decisions on whether sufficient evidence has been gathered will be based on the circumstances of the case and guidance will be provided to support such decisions.

Mr David: To ask the Secretary of State for Work and Pensions what steps his Department has taken to ensure that the face-to-face assessment for the personal independence payment will be accessible to deafblind people.

Maria Miller: The Department is currently in the process of tendering for providers to deliver the Personal Independence Payment Assessment, with a view to signing contracts with the successful providers by summer 2012.

We want to ensure that all face-to-face consultations are carried out in locations that are accessible to claimants, whatever their health condition or impairment. Assessment providers will have to ensure that all sites which need to be accessed by claimants for their face-to-face consultation are compliant with the Equality Act 2010. Providers will be expected to carry out home visits if other locations are not appropriate or they feel that this would be preferable.

We also recognise and acknowledge that for some individuals, for example those who are deafblind, attending a consultation at an unfamiliar location could create an element of anxiety. We have therefore made it very clear that individuals who are asked to attend a face-to-face consultation will be able to bring another person with them, in order to support them or remove any anxiety they may feel in undertaking this process.

Poverty: Children

Ian Mearns: To ask the Secretary of State for Work and Pensions how many children living in poverty after housing costs have been deducted are in families with gross household earnings of more than (a) £1,000 per year, (b) £4,000 per year, (c) £6,000 per year and (d) £7,500 per year.

Maria Miller: Estimates of the number and proportion of children living in poverty are published in the Households Below Average Income (HBAI) series. HBAI uses household income adjusted (or ‘equivalised’) for household size and composition, to provide a proxy for standard of living.
The latest year of data which are available is 2009-10. The following table shows the number of children with incomes below 60% of contemporary median income, after Housing Costs (AHC), split by annual gross household earnings (£ per year) who earn more than £1,000, £4,000, £6,000 and £7,500 respectively.

<table>
<thead>
<tr>
<th>Annual gross household earnings (£)</th>
<th>Number of children (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than £1,000</td>
<td>2.0</td>
</tr>
<tr>
<td>More than £4,000</td>
<td>1.9</td>
</tr>
<tr>
<td>More than £6,000</td>
<td>1.7</td>
</tr>
<tr>
<td>More than £7,500</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Notes:
1. These statistics are based on Households Below Average Income (HBAI) data sourced from the 2009-10 Family Resources Survey (FRS). This uses disposable household income, adjusted using modified OECD equalisation factors for household size and composition, as an income measure as a proxy for standard of living and is available at: http://research.dwp.gov.uk/asd/index.php?page=hbai_arc
2. The standard measure of child poverty captures children who live in a household with an equivalised income below 60% of median income, Before Housing Costs.
3. These figures have been presented on an After Housing Cost basis. For After Housing Costs, housing costs (such as rent, water rates, mortgage interest payments, buildings insurance payments and ground rent and service charges) are deducted from income.
4. Gross earnings have been used to answer the question. This includes earnings from employment and from self-employment.
5. The earnings bands requested are not mutually exclusive and the figures cannot be summed to provide a total number of children in low-income households. The band describes the lower band of earnings amounts. For example, the number of children in the ‘More than £1,000’ band will also include those children where the household has gross annual earnings of more than £4,000, £6,000 and £7,500. Similarly, the number of children in the ‘More than £4,000’ band will also include those children where the household has gross annual earnings of more than £6,000 and £7,500.
6. The earnings measure used here is unequivalised, i.e. it has not been adjusted for household size and composition. The low-income threshold has been calculated in line with the HBAI publication.
7. All estimates are based on survey data and are therefore subject to a degree of uncertainty. Small differences should be treated with caution as these will be affected by sampling error and variability in non-response.
8. The reference period for HBAI figures is the financial year.
9. Numbers of children have been rounded to the nearest hundred thousand.
10. The Child Poverty Act 2010 sets four income-based UK-wide targets to be met by 2020. The targets are based on the proportion of children living in households with relative low income, combined low income and material deprivation, absolute low income and persistent poverty. Before Housing Costs.
11. It was announced in May that the 2009-10 results will be revised when the 2010-11 results come out. Further information is available at the following link: http://research.dwp.gov.uk/asd/index.php?page=hbai_arc

Ian Mearns: To ask the Secretary of State for Work and Pensions how many children in Gateshead are living in poverty after housing costs have been deducted. [107929]

Maria Miller: Estimates of the number and proportion of children living in poverty, before and after housing costs have been deducted, are published in the Households Below Average Income (HBAI) series. HBAI uses household income adjusted (or 'equivalised') for household size and composition, to provide a proxy for standard of living and is available at:

The sample size of this survey is not sufficient to provide estimates at local authority or constituency level. Data at regional level are available in the HBAI publication.

Procurement

Michael Dugher: To ask the Secretary of State for Work and Pensions what proportion of his Department’s expenditure on procurement has gone to small and medium-sized enterprises since May 2010. [107803]

Chris Grayling: The Department for Work and Pensions’ procurement and payment systems are not currently configured to report on the proportion of procurement expenditure the Department has with small and medium sized businesses. However, we are in the process of delivering this capability and expect completion by the middle of the 2012-13 financial year.

During the 23 month period from 1 May 2010 to 31 March 2012, the Department spent a total of £901.8 million with known small and medium sized business suppliers. This represents 11.41% of our total commercial spending in the period.

Michael Dugher: To ask the Secretary of State for Work and Pensions when his Department next expects to undertake a spend recovery audit to identify overpayments to suppliers caused by fraud or error. [107913]

Maria Miller: To help the transition from sheltered segregated employment into mainstream employment we are committed to providing a comprehensive support package for all disabled members of Remploy staff affected by Government announcement on the 7 March. This offer will be for individualised support for up to 18 months and we have set aside £8 million to support this work. The support package is designed to be flexible and will be tailored to meet each individual’s specific needs through the development of a personalised action plan. This will be managed with the support of a personal case worker who will make best use of skills and experience from partner agencies and organisations both nationally and locally.

The support package will include access to work related opportunities available from Remploy and Jobcentre Plus employer networks and we will also be working with other employers, including local employers, and the Employers Forum on Disability, to look to offer targeted work opportunities to help affected staff find new employment.

The support package will also include a personal budget to provide additional support, not available elsewhere, to help people who may have difficulties with the transition to mainstream employment.

The support package includes making £1.5 million available for the Community Support Fund. This fund will support individuals to become involved in their local communities as well as providing support for those who wish to make the move from sheltered to mainstream employment. Local disabled people's user-led organisations and voluntary sector organisations will be able to apply for modest amounts of funding to take forward a variety of projects or activities to support disabled people in areas affected by the Sayce announcement.
Mr Betts: To ask the Secretary of State for Work and Pensions whether his Department has received any expressions of interest from private firms for the Sheffield Remploy manufacturing site. [107904]

Maria Miller: Remploy’s commercial process under way is specific to Remploy businesses identified as stage 1 sites. Sheffield has been identified as a stage 2 site and is therefore not part of the current commercial process.

In stage 2, DWP will work with the Remploy Board to identify if it is possible that these factory businesses and Employment Services can be freed from Government control including through employee-led commercial exit and/or open market sales, and how this might be achieved.

Further information about the proposals for these factories and businesses in stage 2 will be made available once Remploy have considered the most appropriate course of action.

Angie Bray: To ask the Secretary of State for Work and Pensions what redundancy payment his Department plans to make to employees at the (a) Remploy factory in Acton and (b) other Remploy factories following closure of the factories. [108677]

Maria Miller: Remploy began collective consultation with employee representatives on 19 March 2012 on the proposal by the Remploy Board to close 36 factories including the Acton factory. As part of collective consultation, the Remploy Board will consider all proposals to avoid compulsory redundancy. The proposed redundancy terms that will be offered to any Remploy employee who is, in the event, made redundant are under discussion as part of the collective consultation process. No final decisions have been made.

Risk Assessment

Mr Thomas: To ask the Secretary of State for Work and Pensions what strategic or transitional risk registers in each area of policy are held by his Department; and if he will make a statement. [107467]

Chris Grayling: It would be disproportionately costly to list the totality of the risk registers held across all aspects of policy in the Department. However, it may be helpful to set out how risk is managed across the Department.

Senior Responsible Owners and the Permanent Secretary regularly brief Ministers on significant risks to delivery of both the Departments day to day business and our reform programme.

The Department holds a Strategic Risk Register which contains those risks that are reviewed by members of the Executive Team and the Audit Committee, or which carry such a priority the responsibility for ensuring the risk is managed is owned by the Executive Team.

The Department’s risk management framework also requires that each Director General carries out risk assessments to identify threats to the achievement of objectives in their business area.

For each of our significant reform or change programmes and projects their Senior Responsible Owners are required to maintain risk registers for the risks inherent within their area, which could include any risks inherent in the transition from the current state to the future state.

Mr Jim Cunningham: To ask the Secretary of State for Work and Pensions what plans he has to change the method of calculating (a) disability benefits and (b) other benefits. [108282]

Chris Grayling: Apart from those changes set out in the Welfare Reform Act 2012, there are no current plans to change the method by which either disability or other benefits are calculated.

Social Security Benefits: Post Office Card Account

Cathy Jamieson: To ask the Secretary of State for Work and Pensions what estimate he has made of the number of people in Kilmarnock and Loudoun constituency who have benefits paid into a Post Office card account.

Steve Webb: The information is not available in the format requested as data held relate to benefit accounts rather than people. People may be in receipt of more than one benefit which could be paid into the same Post Office card account.

As at January 2012, around 8,500 benefit and pension accounts were being paid into a Post Office card account in Kilmarnock and Loudoun constituency.

Cathy Jamieson: To ask the Secretary of State for Work and Pensions whether people who have benefits paid into Post Office card accounts will be able to have universal credit payments paid into those accounts.

Chris Grayling: No decision has yet been made about whether claimants will be able to choose to have universal credit paid into Post Office card accounts and no estimate has been made of the number of claimants who might make that choice.

Trade Unions

Priti Patel: To ask the Secretary of State for Work and Pensions how many trade union representatives in (a) his Department and (b) each of its non-departmental public bodies had (i) part-time and (ii) full-time paid facility time arrangements in 2011-12.

Chris Grayling: The information is in the following table:

<table>
<thead>
<tr>
<th>Number of part-time and full-time TU representatives, May 2012^</th>
<th>Part-time</th>
<th>Full-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>DWP</td>
<td>31,488</td>
<td>16</td>
</tr>
<tr>
<td>CMFEC</td>
<td>142</td>
<td>3</td>
</tr>
<tr>
<td>Independent Living Fund</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>HSE</td>
<td>50</td>
<td>1</td>
</tr>
<tr>
<td>Remploy</td>
<td>177</td>
<td>5</td>
</tr>
<tr>
<td>Pensions Ombudsman</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Pension Protection Fund</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Ombudsman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Pensions Regulator</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Disability Living Allowance Advisory Board</td>
<td></td>
<td></td>
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</tr>
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[^1]: The information is in the following table:
Health and Safety Executive (HSE)

HSE is unable to state how many days were utilised for paid facility time by each trade union representative. They are able to state that, in 2011-12, a total of 1,504 days was utilised by all TU reps in HSE at a cost of £209,295.

Remploy

Remploy does not keep individual TU representatives’ records centrally and the cost of providing the information would be at disproportionate cost.

Pensions Ombudsman and Pension Protection Fund Ombudsman

These bodies have had a part-time elected TU rep since last summer 2011 (the rep covers both organisations). They are still in discussions about a recognition agreement with the Public and Commercial Services Union (PCS) and therefore facilities time etc. have not yet been agreed or recorded.

The Pension Regulator (TPR)

TPR does not keep individual TU representatives’ records centrally and the cost of providing the information would be at disproportionate cost.

The following non-departmental public bodies do not have TU reps:

- Disability Living Allowance Board
- Equality 2025
- Industrial Injuries Advisory Council
- Social Security Advisory Committee
- The Pensions Advisory Service
- The Pensions Regulator
- National Employment Savings Trust Corporation.

Priti Patel: To ask the Secretary of State for Work and Pensions how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) each of its non-departmental public bodies in 2011-12; and at what cost to the public purse. [107363]

Chris Grayling: Individual responses for my Department and its non-departmental public bodies are detailed as follows:

Department for Work and Pensions

The Department for Work and Pensions is a large Government Department employing approximately 100,000 staff in a large network of sites across the country. There are 16 full-time TU reps employed in the Department for Work and Pensions and this equates to a salary cost of £416,000 based on an average salary.

The monitoring of facility time allocations is managed by local managers who robustly manage individual reps’ applications for time off under the facility time agreement. For this reason the data you requested are not collated centrally for each TU representative.

I can however state that in the Department for Work and Pensions the amount of time available for use as facility time by TU representatives is capped at 0.2% of the Department’s full-time equivalent staffing level at 1 April each year.

In addition, 0.08% facility time is available for use by Union Learning Representatives (ULRs).

Non-departmental public bodies

CMEC

An average of 20.24 days per TU rep were utilised during the period 1 June 2011 to 29 February 2012. (CMEC use an accounting period from June to May so the only data available in 2011-12 are from June to February).

Based on an average salary this equates to £201,836.

Independent Living Fund

Their three TU reps have utilised facility time as follows:

- Rep 1: 4.1 days at a cost of £318
- Rep 2: 19.7 days at a cost of £1,477
- Rep 3: 63 days at a cost of £6,368.

Priti Patel: To ask the Secretary of State for Work and Pensions how many days were utilised for paid facility time by each trade union representative in (a) his Department and (b) each of its non-departmental public bodies in 2011-12. [107364]

Chris Grayling: Individual responses for my Department and its non-departmental public bodies are detailed as follows:

Department for Work and Pensions

In the Department for Work and Pensions the amount of time available for use as facility time by TU representatives is capped at 0.2% of the Department’s full-time equivalent staffing level at 1 April each year.

How the facility time is utilised in respect of TU duties and TU activities is not collated centrally and could be provided only at disproportionate cost. The monitoring of facility time allocations is managed by local managers who robustly manage individual reps’ applications for time off under the facility time agreement.

Non-departmental public bodies

CMEC

CMEC calculate that a TU rep spent an average of 7.15 days on TU duties and 9.35 days on TU activities during the period June 2011 to 29 February 2012. (CMEC use an accounting period from June to May).
**Independent Living Fund (ILF)**

ILF calculate that a TU rep spent an average of 61.8 days on TU duties and 25 days on TU activities in 2011-12.

**Health and Safety Executive (HSE)**

HSE do not hold this information.

**Remploy**

Remploy do not hold this information.

**Pensions Ombudsman and Pension Protection Fund Ombudsman**

This information is not held.

**The Pension Regulator**

This information is not held.

The following non-departmental public bodies do not have TU reps:

- Disability Living Allowance Board
- Equality 2025
- Industrial Injuries Advisory Council
- Social Security Advisory Committee
- The Pensions Advisory Service
- The Pensions Regulator

National Employment Savings Trust Corporation.

**Priti Patel: To ask the Secretary of State for Work and Pensions if he will place in the Library copies of the facility time agreements between trade unions and (a) his Department and (b) each of its non-departmental public bodies.**

Chris Grayling: I will place a copy of my Department’s framework and those of the non-departmental public bodies who have such agreements in the Library.

**Universal Credit: Foreign Workers**

Mrs Moon: To ask the Secretary of State for Work and Pensions with reference to the answer of 23 April 2012, Official Report, column 653W, on foreign workers, how many new jobs are being created overseas by companies contracted to deliver the universal credit IT system; what conditions were placed on these contracts in respect of the proportion of new jobs created that must be based in the UK; and if he will make a statement.

Chris Grayling: All off-shoring work for universal credit is new development and we are not moving existing UK based work to India.

Our IT suppliers have made certain assumptions around the majority of their future work being off-shored, not only to provide better value for money for the UK taxpayer, but also to recognise much of their skill base on key technologies resides overseas, and not necessarily in the UK.

Off shoring of work by our IT service providers is not a matter for the Department for Work and Pensions. All of our IT service providers have global delivery organisations and it is up to them (subject to security considerations) where IT development is delivered from. We are unable to quote specifics around individual IT contracts as they are commercial in confidence.

**Welfare Reform Act 2012**

Kate Green: To ask the Secretary of State for Work and Pensions what recent progress he has made in preparing regulations to support the implementation of the Welfare Reform Act 2012.

Chris Grayling: The Welfare Reform Act 2012 received Royal Assent on 8 March 2012. The legislation provides for the most fundamental reforms to the social security system for 60 years. The Act introduces a wide range of reforms to make the benefits and tax credits system simpler, fairer and ensures that work always pays.

The Department has since been developing regulations, setting out more detailed provisions, which will be published in due course.

The draft Housing Benefit (Benefit Cap) Regulations, which will allow for the introduction of a benefit cap from April 2013 as set out in sections 96 and 97 of the Welfare Reform Act, were sent to local authorities for consultation on 18 May and will be laid before Parliament in July.

**Work Capability Assessment**

Maria Eagle: To ask the Secretary of State for Work and Pensions what proportion of claimants of employment and support allowance in England are placed into (a) the support group, (b) the work-related activity group and (c) the fit for work group.

Chris Grayling: In England, 919,500 people have undergone an initial work capability assessment (WCA) as part of a new claim for employment and support allowance (ESA), where their claim started between October 2008 and the end of August 2011, the latest data available. Of these, 41% were entitled to ESA; 13% were placed in the support group; and 27% were placed in the work related activity group. The remaining 59% were deemed fit for work.

The Department regularly publishes data on ESA and the WCA. The latest publication was released in April and can be found on the departmental website at the following link. Table 1a in this publication gives the affected caseload broken down by region.


**Notes:**

1. The information above is taken from administrative data held by the Department for Work and Pensions and assessment data provided by Atos Healthcare.
2. The percentages have been rounded and so may not sum to 100%.
3. The figures above only cover new claims to ESA and exclude incapacity benefit reassessments to determine eligibility for ESA. On 20 April 2012 the Department published data on the outcomes of IB reassessment claims at the regional and local authority level at the following link:

HEALTH

Alcoholic Drinks: Young People

Chris Ruane: To ask the Secretary of State for Health pursuant to the answer of 16 May 2012, Official Report, columns 185-90W, on alcoholic drinks, what assessment he has made for the reasons for the decrease in average weekly alcohol consumption for 16 to 24 year old (a) men and (b) women between 2000 and 2010.

Anne Milton: There is strong evidence that long term trends in alcohol consumption by the United Kingdom population have followed trends in gross domestic product. It is likely that average weekly alcohol consumption by 16 to 24-year-olds is sensitive to economic trends, including employment rates in this age group. It is not possible to quantify any contribution to the consumption trend from other factors.

Cervical Cancer: Screening

Mr Spencer: To ask the Secretary of State for Health (1) what guidance his Department issues to GPs on treatment of patients aged 20 to 25 who request cervical smear tests;

(2) what his policy is on the provision by GPs of cervical smear tests to women aged between 20 and 25 who request them;

(3) whether GPs are permitted to refuse cervical smear tests for patients aged between 20 and 25 years who request them.

Paul Burstow: The NHS Cervical Screening Programme is a population-based screening programme and women aged under 25 are not invited as experts advise that screening in this age group has no impact on rates of cervical cancer and can do more harm than good. There is no clinical indication for a cervical screening test, and it is best practice that tests should not be performed on women with symptoms.

If a woman has symptoms suggestive of cervical cancer, such as unusual bleeding after sexual intercourse or inbetween periods, she should be managed appropriately by her general practitioner (GP), which may include referral to a gynaecologist within two weeks for further investigation. This is set out in “Clinical practice guidelines for the assessment of young women aged 20-24 with abnormal vaginal bleeding”, developed by the independent Advisory Committee on Cervical Screening and sent to all GPs in England by the Department in March 2010. The guidance has already been placed in the Library and can be found on the Department’s website at: www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113478

Women aged under 25 who request cervical screening but do not have symptoms of the disease should be informed of what symptoms to look out for in the future and told they will receive their first invitation for cervical screening around their 25th birthday. If a GP is worried about an exceptional case in a woman aged under 25, such as a victim of child sex abuse or a former child prostitute, they are advised to contact the local screening service to arrange a screening test to be read in the laboratory if deemed clinically appropriate.

Chronic Fatigue Syndrome

Kerry McCarthy: To ask the Secretary of State for Health what steps he is taking to increase the support available to people recently diagnosed with myalgic encephalomyelitis.[108737]

Paul Burstow: It is for the local national health service to plan and deliver services according to local need. In 2007, the National Institute for Health and Clinical Excellence (NICE) issued a clinical guideline on the management of chronic fatigue syndrome/myalgic encephalomyelitis (CFS/ME). The guideline recommends the use of cognitive behaviour therapy and graded exercise in patients mildly or moderately affected by CFS/ME on the basis that these were the interventions for which there was the clearest research evidence of benefit. A number of other treatments, including particular drugs, vitamin supplements and complementary therapies, were not recommended because there was not enough evidence to suggest that they were effective. The guideline acknowledges that there is no one form of treatment to suit every patient, and that treatment and care should take into account the personal needs and preferences of the patient.

In terms of future provision, the health and social care reforms will support the improvement of outcomes for people living with CFS/ME and other neurological conditions. Improving quality and delivering better health outcomes for patients is the primary purpose of the NHS. Accountability throughout the system needs to be focused on the outcomes of care, rather than the processes. This focus on outcomes will start at a national level with the 2012-13 NHS Outcomes Framework, which defines and will enable measurement of the key outcomes that matter to patients.

All five domains within the NHS Outcomes Framework have relevance for people living with CFS/ME and other neurological conditions. Domain two—enhancing the quality of life for people with long-term conditions as a whole—is the most immediately relevant. This reflects the fact that increasing numbers of people have multiple long-term conditions, and it is not always helpful to see their care from the perspective of a single clinical pathway. Domain two seeks to capture how successfully the NHS is supporting people with long-term conditions to live as normal a life as possible and will be measured using three outcomes:

(i) feeling supported to manage their condition—this measures how well the NHS as a whole is doing in supporting people to look after themselves and handle the consequences of their conditions;

(ii) functional ability—this measures how well the person is able to live as normal a life as possible, and by looking at employment ties in well with the Department for Work and Pensions and the Government’s wider policies about getting people, back to work; and

(iii) reduced time spent in hospital—this measures how successfully the NHS manages the condition(s) by looking at unnecessary hospital admissions and excessive length of stay.

It will be the responsibility of the NHS Commissioning Board to determine how to deliver the outcomes in the NHS Outcomes Framework. The board will use the Outcomes Framework and NICE Quality Standards to develop a Commissioning Outcomes Framework and together these will be the basis for clinical commissioning groups to be held to account. The board will also
support commissioning by developing detailed commissioning guidance and tools such as standard contracts and tariffs.

Kerry McCarthy: To ask the Secretary of State for Health what assessment he has made of recent research into the biological causes of myalgic encephalomyelitis. [108738]

Paul Burstow: The Department has made no assessment of recent research into the biological causes of chronic fatigue syndrome/myalgic encephalomyelitis.

Diabetes

Mark Lancaster: To ask the Secretary of State for Health what proportion of people with diabetes are receiving all National Institute for Health and Clinical Excellence recommended care processes in (a) England and (b) each primary care trust area. [108554]

Paul Burstow: The nine health care checks for diabetes as recommended by the National Institute for Health and Clinical Excellence (NICE) are: HbA1c (a measurement of residual glucose), body mass index, blood pressure, urinary albumin, creatinine (a measure of kidney function), cholesterol, eye examinations, foot examinations and smoking status. NICE guidance recommends that diagnosed diabetes receive these nine health care checks (also known as care processes) annually. Primary care trusts (PCTs) are accountable for delivery of care and should be monitoring service delivery at local level.

There are two sources of data for assessing the extent to which the nine health care checks are provided: the National Diabetes Audit (NDA), and the Quality and Outcomes Framework (QOF) achievement data.

The NDA contains 81.1% of the 2.34 million people aged 17 years and over with diagnosed diabetes reported by the QOF. Results for all PCTs that submit data to the annual NDA can be accessed via the NDA dashboard on the following link: www.ic.nhs.uk/services/national-clinical-audit-support-programme-ncasp/national-diabetes-audit/analysis-and-participation/2010-2011-analysis

Ranking of results is colour coded enabling easy comparison of performance between PCTs.

In addition, two maps in the NHS Atlas of Variation (2011) on the following link: www.sepho.org.uk/extras/maps/NHSatlas2011/atlas.html are specific to delivery of the nine care processes, and use data from the NDA. The Atlas shows that, depending on their PCX area, between 5.4% and 47.9% of people with Type 1 diabetes received all nine health care checks, and between 7% to 71.4% of those with Type 2 diabetes received all the nine health care checks.

The QOF achievement data show higher numbers of patients receiving each of the health care checks than does the NDA (when comparing the QOF and NDA figures for each of the tests separately). The QOF data tables for each QOF year including 2009-10 at national, strategic health authority and primary care trust levels are available at: www.ic.nhs.uk/quality-and-outcomes-framework/quality-and-outcomes-framework-2009-10

The differences may be ascribable to variations in scope and data assessment methodology. We intend to work with stakeholders to understand the reasons for the differences and to identify what needs to be done as a result.

Diabetes: Orthopaedics

Mark Lancaster: To ask the Secretary of State for Health how many diabetes-related major amputations have been made (a) nationally and (b) in each primary care trust area in the last 10 years. [108555]

Paul Burstow: The Department does not collect this information centrally.

The National Diabetes Audit reports incidence of amputations for those practices participating in the audit. Information for 2005 to 2010 has been placed in the Library.

Food: Hygiene

Miss McIntosh: To ask the Secretary of State for Health what assessment he has made of the food hygiene regulations currently being negotiated; what assessment he has made of the effect they might have on UK producers; and if he will make a statement. [108113]

Anne Milton: The European Commission are expected to bring forward legislative proposals for amendments to the food hygiene regulations in summer 2012, based on information provided by competent authorities in member states and industry bodies. The proposals will then be subject to negotiation in the Council and Parliament under ordinary procedure. The Commission’s intention is to simplify certain procedural aspects of the regulations, introduce risk-based controls for certain products such as gelatine, and provide scope for potential future amendments in relation to controls at slaughterhouses and certain definitions such as mechanically separated meat.

The Food Standards Agency (FSA), which has policy responsibility in this area, is in regular contact with United Kingdom industry representatives about the development of the Commission’s proposals. The FSA expects that there should be some benefit from a move to more risk-based controls for certain products, but this assessment will be reviewed following publication of the proposals, and where appropriate the proposals will subject to consultation and impact assessment. Negotiating lines will be cleared with Ministers where necessary under established procedures.

Health Professions: English Language

Karen Lumley: To ask the Secretary of State for Health what steps his Department is taking to ensure that all NHS doctors and nurses can speak English. [108409]

Mr Simon Burns: It is the responsibility of employers to ensure that the health care professionals they employ are able to safely and effectively communicate with colleagues and patients.
All non-European Economic Area health care professionals are required to demonstrate their knowledge of English before they are registered with the appropriate regulatory body.

Under the European directive 2005/36/EC on the recognition of professional qualifications it is not possible for the regulatory bodies to systematically test language competency of EU migrants wishing to register in the United Kingdom. However, it does not preclude regulatory bodies from taking fitness to practise action against a registrant where their knowledge of English is poor.

**Manpower**

**Mr Redwood:** To ask the Secretary of State for Health how many full-time equivalent employees his Department employed in May 2010; and how many it employed in the latest period for which figures are available.

**Mr Simon Burns:** The number of full-time equivalent civil servants who have left and been recruited are given in the following table.

<table>
<thead>
<tr>
<th>Year ending</th>
<th>Leavers</th>
<th>Entrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2010</td>
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<td>2,570</td>
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<tr>
<td>April 2012</td>
<td>2,352</td>
<td>2,271</td>
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Mr Redwood: To ask the Secretary of State for Health how many full-time equivalent employees have (a) left and (b) been recruited to his Department in the last two years.

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<table>
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<tr>
<th>Year ending</th>
<th>Number</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Civil servants total</td>
<td>2,651</td>
<td>2,570</td>
</tr>
<tr>
<td>Agency staff contractors total</td>
<td>834</td>
<td>795</td>
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<tr>
<td>31 March 2011</td>
<td>212</td>
<td>179</td>
</tr>
<tr>
<td>31 March 2012</td>
<td>393</td>
<td>126</td>
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These figures include entrants and leavers who have transferred between Departments.

**Meat: Contamination**

**Miss McIntosh:** To ask the Secretary of State for Health what recent steps his Department has taken to tackle health inequalities.

Anne Milton: The Food Standards Agency (FSA), which has policy responsibility in this area, has worked closely with the Foreign and Commonwealth Office on behalf of the United Kingdom Government in explaining to the Commission the full impact of their decision that desinewed meat (DSM) can no longer be produced from ruminant bones and that DSM made from poultry or pork bones should be labelled as mechanically separated meat.

The FSA held urgent discussions with senior European Commission (EC) officials once the EC made its position known, securing an extension to the original five-day deadline for action. The FSA continues to pursue this matter with the EC, making the case for the UK interpretation, including scientific evidence to support that case.

**Ministerial Policy Advisers**

Ms Abbott: To ask the Secretary of State for Health whether any special advisers in his Department have been subject to disciplinary proceedings since May 2010.

Mr Simon Burns: No special advisers have been subject to disciplinary proceedings since May 2010.

**NHS: Discrimination**

Dr Poulter: To ask the Secretary of State for Health what arrangements are in place to ensure that boycotts, divestment and sanctions against Israel do not take place within the NHS.

Mr Simon Burns: The Equality Act 2010 makes it unlawful for service providers, providers of public functions and employers to discriminate on the grounds of a range of protected characteristics including race, colour, nationality and ethnic or national origins. All local national health service organisations are subject to the provisions of the Act including the public sector equality duty which requires them, in exercising their functions, to consider eliminating discrimination, harassment and other conduct prohibited under the Act, advance equality of opportunity and promote good community relations.

Dr Poulter: To ask the Secretary of State for Health what arrangements are in place to ensure that (a) political and (b) racial discrimination does not take place within the NHS.

Mr Simon Burns: There is no place for racial or political discrimination within the national health service. All staff in the NHS are required to treat colleagues and patients in a fair and non-discriminatory way. This is a guiding principle of the NHS, set out in the NHS constitution.

All NHS bodies are subject to the public sector equality duty under the Equality Act 2010 which makes discrimination on the grounds of race illegal.

Public appointments to NHS boards are made on merit and managed through a fair and open process, as required by the Commissioner for Public Appointments.

**NHS: Equality**

Mr Nicholas Brown: To ask the Secretary of State for Health what recent steps his Department has taken to tackle health inequalities.

Anne Milton: Tackling health inequalities is a Government priority, part of its wider focus on fairness and social justice.

We have taken steps to establish a framework to reduce health inequalities.
In the Health and Social Care Act 2012, we have for the first time ever, established legal duties on health inequalities for national health service commissioners and the Secretary of State for Health, my right hon. Friend the Member for South Cambridgeshire (Mr Lansley). When applied, these will be:

The National Health Service Commissioning Board and clinical commissioning groups are under a duty to have regard to the need to reduce inequalities in access to, and the outcomes of, health care;

The Secretary of State has a wider duty, to have regard to the need to reduce inequalities relating to the health service (including both national health service and public health, and relating to all the people of England);

The National Health Service Commissioning Board, clinical commissioning groups and Monitor have further duties around integration of health services, health-related services or social care services where they consider this would reduce inequalities; and

The Secretary of State, National Health Service Commissioning Board and clinical commissioning groups have duties around health inequalities, concerning planning, reporting and assessment.

We have also taken steps to ensure that, once established, Public Health England will play a key role in tackling inequalities. This has been informed by the report of the independent review on health inequalities “Fair Society, Healthy Lives”, (February 2010), which was led by Professor Sir Michael Marmot.

Ministers accepted the analysis and approach of the review, and its key principles and recommendations, responding through the public health White Paper, “Healthy Lives, Healthy People” (November 2010), which adopted the review’s life course framework, ensuring a focus for tackling the wider social determinants of health.

From 2013-14, the National Health Service Commissioning Board will allocate resources to Clinical Commissioning Groups in a way that supports the principle of securing equivalent access to national health service services relative to the prospective burden of disease and disability. The Board will have a duty to have regard to reducing inequalities in access to, and the outcomes from, health care. Furthermore, from 2013-14, the Department intends to allocate a ring-fenced public health grant, targeted for health inequalities, to upper-tier and unitary local authorities for improving the health and wellbeing of local populations.

To support development of evidence-based action on health inequalities, we have ensured that both the Public Health Outcomes Framework and the NHS Outcomes Framework have a strong focus on health inequalities.

The University College London Institute of Health Equity, led by Professor Sir Michael Marmot and supported by the Department, will help England to strengthen its evidence-based approach to addressing health inequalities, and support all parts of the health system through the practical application of knowledge and best practice.

Within a broad strategy to tackle health inequalities across the country, we are also addressing the health needs of those most vulnerable to poor health outcomes through the Inclusion Health programme.

NHS: Reorganisation

Caroline Nokes: To ask the Secretary of State for Health who will (a) fund and (b) have responsibility for commissioning (i) local and (ii) national enhanced services following the implementation of NHS reforms.

Mr Simon Burns: The National Health Service Commissioning Board will be responsible for funding and commissioning all future primary medical services, including any nationally specified enhanced services under the general practitioner contract arrangements.

We also propose to transfer the funding attached to current local enhanced services (except where responsibility and resources pass to local authorities to meet their new public health functions) to clinical commissioning groups.

Clinical commissioning groups will be able to use their commissioning budgets to fund commissioning of community-based services, for which the provider might be a general practice where the service is outside the scope of the general practitioner contract and where the award of such contracts have been undertaken in line with safeguards to protect against any potential conflicts of interests.

Caroline Nokes: To ask the Secretary of State for Health when his Department expects to publish guidance on the (a) framework for and (b) scope of the quality premium.

Mr Simon Burns: We are continuing to discuss with stakeholders and professional bodies how payments to clinical commissioning groups for improving quality could be used to complement other quality improvement tools to encourage better services, improved outcomes for patients and reductions in health inequalities. Based on these discussions, we intend to develop proposals for wider engagement later this year, which will inform the content of regulations that will take effect from April 2013.

Pharmacy

Mr Barron: To ask the Secretary of State for Health (1) how much funding his Department allocated to services delivered by community pharmacies in each year since 2005; and if he will make a statement;

(2) how much has been reimbursed to his Department as a result of category M of the drug tariff; and if he will make a statement;

(3) when he plans to review the operation of category M of the drug tariff; and if he will make a statement.

Mr Simon Burns: The overall funding settlement under the community pharmacy contractual framework (CPCF), since its introduction in April 2005, for essential and advanced services, is shown in the following table:

<table>
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<th>Overall CPCF funding settlement (£ billion)</th>
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<td>2005-06</td>
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<td>2011-12</td>
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1 This does not include up to £55 million allocated or the new medicine service, introduced from October 2011.
The reimbursement price paid by the national health service to community pharmacies for most generic medicines dispensed under NHS services are within Category M of the Drug Tariff. Through the reimbursement prices for Category M, the target margin of £500 million, at least, has been provided in each of the years towards the overall CPCF funding, set out above. Where excess margin above the target level is identified, Category M generic medicine reimbursement prices are adjusted accordingly. The CPCF, including medicine margin and Category M, was reviewed by the National Audit Office (NAO) in their report published in March 2010. As well as delivering at least the agreed CPCF funding, the NAO identified savings to the NHS of around £1.8 billion over the period 2005-06 to 2008-09.

1 The “Community Pharmacy Contractual Framework and the retained medicine margin”, 30 March 2010 is available at: www.nao.org.uk/publications/0910/community_pharmacy.aspx

The Department and Pharmaceutical Services Negotiating Committee are in discussion about the future funding arrangements for community pharmacy, taking account of:

- the Cost of the Service Inquiry;
- reviewing the medicine margin arrangements, informed by the recommendations of the NAO—such as extending the medicine margin survey beyond independent pharmacies to other pharmacy types, with a consistent approach on cost of service, and making more timely adjustments to medicine margin to reduce regulatory lag; and
- reviewing the distribution of CPCF funding to incentivise and support high quality and efficient services.

Mr Barron: To ask the Secretary of State for Health (1) how many pharmacies were established under the 100 hour exemption between April 2005 and April 2010; [108100]
(2) how many pharmacies have been established under the 100 hour exemption (a) in total and (b) within or attached to GP premises since April 2010; and if he will make a statement. [108101]

Mr Simon Burns: The number of pharmacies opened under the 100 hour exemption is provided as follows. Prior to 2008-09, this information was not collected centrally.

<table>
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<tr>
<th>Number of 100 hour pharmacies opened in England</th>
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<td>Year</td>
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<td>2008-09</td>
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<td>2009-10</td>
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<td>2010-11</td>
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Source: Table 8 of the “General Pharmaceutical Services Bulletin, 2001-02 and 2010-11”, published by the Health and Social Care Information Centre

Information is not collected centrally on the number of 100 hour pharmacies attached to general practitioner premises.

Prescriptions: Concessions

Mr Evennett: To ask the Secretary of State for Health how many people aged over 60 years received a free prescription in each of the last three years. [108203]

Mr Simon Burns: This information is not collected centrally.

Primary Care Trusts: Equality

Mr Nicholas Brown: To ask the Secretary of State for Health what principal conclusions he has drawn from his Department’s publication, Equality Impact Assessment for Primary Care Trust Resource Allocations 2011-12. [108208]

Mr Simon Burns: The principal conclusion from the Equality Impact Assessment is that the public sector equality duties under the Equality Act 2010 were met for allocations to primary care trusts in 2011-12. The Equality Impact Assessment was published on the Department’s website in December 2010 and is available at:


Radiotherapy

Mr Baron: To ask the Secretary of State for Health (1) when he expects to make a decision on the level at which radiotherapy services will be commissioned in the new NHS structure; [108542]
(2) what steps his Department is taking to ensure access for all suitable patients to (a) intensity-modulated radiotherapy, (b) image-guided radiation therapy and (c) other new and emerging radiotherapy technologies; [108543]
(3) whether the metrics in the 2007 National Radiotherapy Advisory Group report still apply; and what progress his Department is making on meeting these targets; [108544]
(4) what steps he is taking to ensure that patients have access to high quality radiotherapy services with an appropriate number of fractions. [108545]

Paul Burstow: From April 2013, services will either be commissioned by clinical commissioning groups or by the NHS Commissioning Board. No final decisions have yet been taken on which services will be directly commissioned by the board. Work is in hand to define the list of services for direct commissioning and Ministers expect to be in a position to confirm those services in the summer.

In ‘Improving outcomes: A Strategy for Cancer’, published on 12 January 2011, we said that ensuring that patients have access to high quality modern radiotherapy techniques can deliver improved patients outcomes and that it was the Department’s aspiration to ensure that intensity modulated radiotherapy was available in at least one centre per cancer network. This has now been achieved.

The National Radiotherapy Implementation Group (NRIG) is planning to publish a report on Image Guided Radiotherapy, setting out protocols for its use. This report will be available on the National Cancer Action Team (NCAT) website and NCAT will be providing an IGRT training programme for radiotherapy centres. NRIG is tasked with providing national support to local teams to implement national radiotherapy policy and to keep new and emerging radiotherapy techniques under review.

The National Radiotherapy Advisory Group (NRAG) report ‘Radiotherapy; developing, a world class service for England’, published in 2007, made a range of recommendations to improve and expand radiotherapy
services in England. These included the extension of the 31-day cancer waiting time standard to include all radiotherapy treatments, the establishment and collection of the national radiotherapy dataset (RTDS) and that the number of radiotherapy fractions being delivered should be increased from 30,000 per million population per annum (as it stood at the time of the NRAG report) to 40,000 by 2010-11.

The 31-day standard for all radiotherapy treatment has since been introduced and the RTDS is now in its second full years of data collection. Analysis of the RTDS shows that there were approximately 34,500 fractions per million head of population per annum in 2009-10. However, the data collection also suggests that NRAG had overestimated the number of fractions delivered at that time so the baseline was in fact lower than 30,000 per million per annum. The Cancer Outcomes Strategy made the commitment to undertake a detailed analysis of the RTDS data to ensure that the metrics in the NRAG report remain meaningful and current. NRIG has been tasked with undertaking that analysis, including a review of progress, and is due to report by the autumn.

NRIG has undertaken a major piece of work to bring together the experts to agree radiotherapy decision trees based on best practice prescribing of radiotherapy fractions. A toolkit has recently been made available to commissioners and providers of radiotherapy services to enable them to make assessments of local practice against agreed best practice. These assessments should inform demand planning and discussions about variations in services locally.

**Redundancy**

**Mr Redwood:** To ask the Secretary of State for Health how many of his Department’s employees have been made redundant in the last two years. [108073]

**Mr Simon Burns:** The Department has made fewer than five permanent employees redundant in the last two years. As part of departmental restructuring and ‘downsizing’, 278 permanent staff have left the Department over the last two years on voluntary exits.

**Thalidomide**

**Guto Bebb:** To ask the Secretary of State for Health what discussions he has had with Ministers in the Welsh Government on the continuation of the thalidomide health grant beyond 2012. [108811]

**Paul Burstow:** Departmental officials have been in regular contact with officials from the devolved Administrations and will continue to work closely with them on this issue.

**CABINET OFFICE**

**Economic Activity**

**Mr Frank Field:** To ask the Minister for the Cabinet Office what the economic activity rates are for (a) men and (b) women in each age decile group; and what assessment has been made of trends in these rates in the last 30 years. [108307]

**Mr Hurd:** The information requested falls within the responsibility of the UK Statistics Authority. I have asked the authority to reply.

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**Letter from Stephen Penneck, dated May 2012:**
As Director General for the Office for National Statistics, I have been asked to reply to your Parliamentary Question asking what the economic activity rates are for (a) men and (b) women in each age decile group; and what assessment has been made of trends in these rates in the last 30 years. [108307]

The information requested is shown in the table. Estimates prior to 1993 are not available. In accordance with the International Labour Organisation (ILO) definition, people are classed as economically active if they are either in employment or unemployed. The estimates are derived from the Labour Force Survey (LFS) and are not seasonally adjusted. As with any sample survey, estimates from the LFS are subject to a margin of uncertainty.

Seasonally adjusted economic activity rates by age are published in Table 12 of the monthly Labour Market Statistical Bulletin which is available on the National Statistics website via the following link:

http://www.ons.gov.uk/ons/dcp171778_264236.pdf

**Employment**

**Andrew Stephenson:** To ask the Minister for the Cabinet Office how many people were employed in the manufacturing sector in (a) Lancashire, (b) the North West and (c) England in (i) 1997 and (ii) the latest year for which figures are available. [108981]

**Mr Hurd:** The information requested falls within the responsibility of the UK Statistics Authority. I have asked the authority to reply.

**Letter from Stephen Penneck, dated May 2012:**
As Director General for the Office for National Statistics, I have been asked to reply to your Parliamentary Question asking how many people were employed in the manufacturing sector in (a) Lancashire, (b) the North West and (c) England in (i) 1997 and (ii) the latest year for which figures are available. [108981]

Annual statistics on the number of employees are available from the ONS release Business Register Employment Survey (BRES) at:

www.ons.gov.uk

The following table contains the latest statistics available, which show the number of employees in the Manufacturing industry for Lancashire, the North West and England in 1997 and 2010.

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<tr>
<th></th>
<th>1997</th>
<th>2010</th>
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<tr>
<td></td>
<td>Lancashire</td>
<td>130,800</td>
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<tr>
<td></td>
<td>North</td>
<td>532,200</td>
</tr>
<tr>
<td></td>
<td>West</td>
<td></td>
</tr>
<tr>
<td></td>
<td>England</td>
<td>3,532,700</td>
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</table>

The 1997 employee estimates shown above are taken from the Annual Employment Survey (AES) and the 2010 estimates come from BRES. The AES is a forerunner survey to BRES and differs in several ways, most notably in the method of data collection and in estimation methodology. Furthermore the estimate for Lancashire in 1997 is based on pre-1995 administrative boundaries. Comparisons between the figures from the two years should therefore be made with caution.

**Fuel Oil: Kilmarnock**

**Cathy Jamieson:** To ask the Minister for the Cabinet Office what estimate has been made of average household expenditure on heating fuel bills in Kilmarnock and Loudoun constituency in each of the last 10 years for which figures are available. [108899]

**Mr Hurd:** The information requested falls within the responsibility of the UK Statistics Authority. I have asked the Authority to reply.
Letter from Stephen Penneck dated May 2012:

As Director General for the Office for National Statistics, I have been asked to reply to your Parliamentary question to the Minister for the Cabinet Office, asking what estimate has been made of average household expenditure on heating fuel bills in Kilmarnock and Loudoun in each of the last 10 years for which figures are available. (108899)

The Living Costs and Food Survey (LCF), which is a sample survey covering approximately 5,000 households in the UK, collects data on expenditure on gas, electricity and other fuels. Unfortunately, estimates of household expenditure at parliamentary constituency level are not available due to small sample sizes.

Risk Assessment

Mr Thomas: To ask the Minister for the Cabinet Office what strategic or transitional risk registers in each area of policy are held by his Department; and if he will make a statement. [107481]

Mr Maude: Within the Cabinet Office each business group is accountable for managing their own risks and are responsible for both maintaining their associated risk registers and ensuring that their business plans and all projects, programmes or activities which deliver departmental strategic or corporate objectives, include the review of associated risks and that any mitigating actions are implemented.

Risk registers are kept and maintained as is appropriate, at working level. A list of all risk registers used within the Department and its NDPBs is not held centrally.
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<td>Local Government: Assets</td>
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<td>Disability: Grants</td>
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<td>Employment Schemes: East Midlands</td>
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