



Liaison Committee

Oral evidence: The Prime Minister, HC 637

Wednesday 20 December 2017

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Watch the meeting

Members present: Dr Sarah Wollaston (Chair); Hilary Benn; Mr Clive Betts; Sir William Cash; Yvette Cooper; Frank Field; Lilian Greenwood; Robert Halfon; Mr Bernard Jenkin; Norman Lamb; Dr Julian Lewis; Angus Brendan MacNeil; Mrs Maria Miller; Nicky Morgan; Dr Andrew Murrison; Neil Parish; Rachel Reeves; Tom Tugendhat.

Questions 1-108

Witness

[\[1\]](#): Rt Hon Mrs Theresa May

Written evidence from witnesses:

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Examination of witness

Witness: Rt Hon Mrs Theresa May

Chair: Good afternoon and welcome to the Liaison Committee, Prime Minister. I know that we have a huge number of questions to get through, so if you do not mind we will start straightaway with Hilary Benn.

Q1 **Hilary Benn:** Good afternoon, Prime Minister. You made a very clear commitment in the Brexit phase 1 joint report to maintaining no hard border, no infrastructure and no checks between Northern Ireland and the Republic. We all hope that that will be achieved by a free trade agreement, but you have also committed to a very specific fall-back option: this question of full alignment. I just wanted to explore what that would involve. You indicated in your statement to the House that this would apply to agricultural goods, for example. Is that correct?

The Prime Minister: First of all, may I congratulate you, Chairman, on your election as Chair of the Liaison Committee?

Yes, if I look at the question of what we have put into the joint progress report on Northern Ireland, there are three stages in terms of looking at the commitment on no hard border between Northern Ireland and the Republic of Ireland. The first is, as you say, that we expect and intend to be able to achieve this through the negotiations on the overall arrangement between the EU and the UK. The second fall-back, which you did not refer to in your question, is that failing that we would look at specific solutions for the unique circumstance of Northern Ireland, and failing that we fall into the full alignment, as was said in the progress report.

I think that sometimes when this is being discussed people forget that there are already specific differences in relation to, and specific solutions for, Northern Ireland. The all-island of Ireland electricity market, for example, is already in existence, and there are already some arrangements in relation to agriculture. As to what would be necessary in terms of looking at those arrangements, were we to have to fall back to that third option—I emphasise that it is the third option—those would be a matter that we would need to look at and negotiate at the time. Our focus is on the first option: that is, now we can start—we have got sufficient progress—to look at the overall relationship between us and the European Union. That is where we will be putting our work, effort and focus.

Q2 **Hilary Benn:** Indeed, but since the Government have made a very clear commitment to no infrastructure, no checks and no controls in all circumstances—all three of those you just laid out—I am focusing on the full alignment fall-back, and I will just put the question again: would that cover agricultural goods, yes or no?



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The Prime Minister: The reason I answered in the way that I did is because, of course that is still in the progress report, but I do not want people to assume that this is the process and solution that we are working towards.

Hilary Benn: I do understand that.

The Prime Minister: We are working towards the first one. The agricultural trade—the movement of agricultural livestock and goods and the need for the agri-food industry—between Northern Ireland and the Republic of Ireland is obviously an issue that we would have to look at. But as to how we will achieve the objectives that we both want to achieve in those circumstances, that will be a matter for negotiation, should we actually get into that position and should it become clear that neither of the first two options are available for us or are going to be possible.

I am sure that we are going to be able to achieve the first option. We have already put forward some ideas as to how we can achieve this, we have published papers on this, and now that we have got sufficient progress and are out of phase 1 of the negotiations, we can start to look at them in detail. The problem that we have had so far is that, whereas we have been putting ideas forward, we have not been able to negotiate or discuss them with the other side in these negotiations because they have been clear that we have been phase 1. Now we can actually start doing that in earnest.

Q3 **Hilary Benn:** So are you telling us that you cannot say at this stage whether it would cover agricultural goods or, for example, manufactured goods? As I understood it, the purpose of putting in the fall-back option was to offer assurance, in all circumstances, to all those involved. If you are saying that you cannot tell us what it covers, what exactly does it mean?

The Prime Minister: Well, it means that we will ensure that there is no hard border. How we achieve that in specific areas and specific sectors would be for the negotiations. That is what I am saying in my answers to you. We are clear in terms of no hard border. As I said, we believe that we can achieve that in the overall relationship and we have put forward some ideas as to how that can be done. We are now able to discuss those specific ideas. This is about no hard border—no physical infrastructure.

Q4 **Hilary Benn:** But surely, Prime Minister, if it does not cover all goods, those that are excluded would, of necessity, be subject to checks, and therefore the commitment that you have given to there being no hard border, no checks and no controls could not be delivered. Either everything is in, or everything is not in. It is a very simple question about how this would work.



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The Prime Minister: Yes, and it is a very simple answer: what we are going to deliver is no hard border—no physical infrastructure at the border.

Hilary Benn: All right. So you cannot confirm what it would cover. May I move on to timing? The European Commission has said in its draft negotiating guidelines that were published this morning that the transitional arrangements should last no longer than 31 December 2020. Do you think that that will be long enough?

The Prime Minister: Well, I think as you know full well, in my Florence speech I said that I thought that probably the implementation period would be around two years. That was what the indications we had at the time were. We are about to start the negotiations, and obviously what we have seen today is that position coming from the European Union. We will be quickly into negotiations as to what the implementation period should cover. They have set that end December 2020 date because that covers their current budget plan period, so that has a neatness for them—if I can put it like that—but we will obviously have to discuss it, because this is a practical issue about how long certain changes would need to take to be put in place.

Q5 **Hilary Benn:** But before you can make the changes you have to have an agreement on the new free trade relationship, which is your number one objective. Do you think those negotiations can be completed in the implementation period—the transition period? Do you think there will be sufficient time to complete them?

The Prime Minister: Sorry—you said sufficient time to complete them in the implementation period?

Q6 **Hilary Benn:** Completed in the implementation period. To ask the question another way, is it still your view that you can complete negotiating a free trade agreement by March 2019?

The Prime Minister: It is. That is what we are working to, and that is what I believe we can do. I believe that's important. Everybody wants to know on what basis they're going to be operating in the future, such that the implementation period is a practical period, which is implementing—going towards implementing—the agreement that we have with the European Union. I and other Ministers have made the point in the past that, of course, we start off from a different point from other third countries—as we will be—negotiating with the European Union, because we are already a member, and already trading with them on a particular basis. As you will know full well, we can't legally sign the new trade agreement with the European Union until we are a third country—until we're out of the European Union on 29 March 2019—but I believe we can negotiate that arrangement in that time.

Q7 **Hilary Benn:** That is the view that you hold, and that the Government holds, but the view on the other side of the negotiating table is that the



best that is going to be achieved by March 2019 is a scoping of what a free trade agreement is going to cover. Certainly, I've met nobody who thinks it will be possible to negotiate all the details of that by March 2019. Why is the Government so confident that it can be done, when those with whom it is negotiating don't think it can?

The Prime Minister: Well, a lot is often said about the time that it takes to negotiate trade deals. There are different experiences around the world of the length of time it takes to negotiate trade deals. As I say, the reason I'm confident that we can do this within the time concerned is because we start off from a different point, so we haven't got a situation where country A is coming to negotiate with the EU not having had any arrangements with the EU before. We come from the point where we're actually a member of the European Union. We are operating on the same basis at the moment, and therefore I think that starts us off from a different position in terms of our negotiations on trade in the future. Of course, we're not just talking in phase 2 of negotiating the trade agreement. We're also talking about negotiating the future security partnership that we want to have with the European Union.

Q8 **Hilary Benn:** And finally from me, were you aware that no impact assessments were being carried out by Government Departments looking at the impact—the effect—of Brexit on different sectors of the economy, or indeed the implications of leaving the customs union? Did you know that that wasn't being done?

The Prime Minister: What I was aware that Government Departments were doing, led of course by DExEU, was ensuring that they were in touch with different sectors, and continue to be in touch with different sectors that are taking their views on implications in terms of what matters to them. This is what is in the sectoral analysis, which has been made available to your Committee. That was the analysis that was undertaken and is indeed ongoing. We continue to talk to business. It isn't that there is a point in time where you say, "Well, what is the impact here?" Actually, we didn't produce impact assessments, as you've described them. We produced that sectoral analysis. We continue to talk with business. We continue to talk with representatives of all sectors on the issues that matter to them.

Hilary Benn: I would just observe that we are about to publish most of what you've given to us, and I think the public will see that there is no assessment of the impact of Brexit on the different sectors of the economy, but we can pursue that on another occasion.

Chair: Thank you. We are going to come on to a group of questions from Treasury, BEIS and International Trade, starting with Nicky Morgan.

Q9 **Nicky Morgan:** Good afternoon, Prime Minister. On Monday in the House,



you said that, based on reasonable assumptions, the financial settlement is estimated to stand at between £35 billion and £39 billion in current terms. Over what period of time would you expect that amount of money to be paid to honour our obligations to the EU?

The Prime Minister: If you look at the joint progress report, it makes clear that none of the payments that are required will be required from us until they fall due, unless there is another agreement between the UK and the European Union that they will be paid at another time.

Some of implications, some of the elements in the financial settlement that have been looked at, are elements that may arise at some stage in the future, but the assessment that has been made obviously has looked at those alongside what most people would consider to be the more regular payments, if I can describe them as that. I made clear in my Florence speech that we did not want anybody in the current budget plan to fear that, as a result of us leaving, they were going to have to pay more or receive less in relation to their membership of the European Union.

Q10 **Nicky Morgan:** I entirely agree. The reason I ask is because, obviously, the Treasury Committee has taken evidence over the past few weeks on the Budget and the OBR fiscal outlook.

In that outlook the OBR talk about taking a fiscally neutral approach. From 2019-20 onwards any reduction in expenditure of transfers to the EU would be recycled fully into extra domestic spending. They have a chart whereby they anticipate EU contributions ending in the year '18-'19 and then domestic spending rising, or increased domestic spending, from 2019-20 onwards—so one set of expenditure replacing the other.

But it sounds to me from what you have just said as if they may not be the right way for the OBR to approach it, on the basis that we may be paying more money in relation to our EU contributions over some years to come.

The Prime Minister: I would not want you to go away with the impression that there is a lengthy period of time over which each year we are going to be paying money to the European Union. That is not going to be the case.

To the extent that the financial settlement covers payments that we would have made as a member state, and we won't be required to pay more or sooner than we would have had to as a member state, then the settlement is already provided for in the budget forecast. It is not the case that these sums of money are additional to that budget forecast because they are baked in. The OBR has already baked in payments.

Q11 **Nicky Morgan:** But the OBR's baking in of anticipated future domestic spending may not be correct. That may be something that the OBR might have to revisit in their future fiscal outlook. Would you agree with that?



The Prime Minister: What the OBR has done is taken a fiscally neutral approach to this. They have said that any savings that are made from not paying into the European Union will be recast, recycled, into domestic spending. They have not assumed how that particular expenditure will be used.

As I say, the sums are covered over the period of time. There will be, as the joint progress report makes clear, a point at which a decision on the timing of those would be possible, if it was felt appropriate to change that timing from what is in the agreement so far.

Q12 **Nicky Morgan:** Let me move on to something else that is in the news today, which is financial services. The financial services sector paid £72 billion in taxes to the UK Government last year. I think it is one area where you would agree we are already operating on the same basis as the EU. In fact, the UK has been very influential on EU financial services legislation.

Michel Barnier said this morning that he does not expect a free trade agreement to cover financial services. How are you going to persuade him that that is not a wise course of action?

The Prime Minister: Well, we are going into a negotiation. What I would say is that the City of London is obviously important to us here in the UK but, actually, it is of significant importance to the rest of the European Union as well.

I'm afraid I do not have the exact quote but I understand that the Governor of the Bank of England commented on this earlier today. I think he used a phrase such as "the City of London is actually the banker for Europe". It is a significant provider of capital finance for Europe. As we come into discussions, I think there will be a greater recognition of the role the City plays in the financial provisions for Europe as a whole and not just for the United Kingdom.

Q13 **Rachel Reeves:** Thank you, Prime Minister, for coming to give evidence today. Our Select Committee has taken evidence from a number of business organisations and businesses. The Association of the British Pharmaceutical Industry said on the issue of regulation: "It really would not make any sense for us to have something where we had a divergent regulation." Prime Minister, you have spoken about regulatory alignment. I wonder precisely what that means and how it is different, if it is, from what we have today.

The Prime Minister: What I set out in the Florence speech was that if we look at the question of regulations and directives, they fall into different categories. There are some of those that are of no impact on trade relations or have no relevance to trade relations. There will be some areas where we have the same goals—the same objectives in terms of regulation—but wish



to achieve them by different means. There will be other areas where we have the same goals and accept that they should be achieved by the same means. As part of the negotiations, we now go into the process of looking at that in detail and determining, as one would in any trade agreement—in any trade agreement, there is an agreement as to the regulations and standards on which that trade is going to take place. That is what we will now be doing with the European Union.

- Q14 **Rachel Reeves:** So regulatory alignment could mean that we have different rules and regulations here compared with what they have in the other European Union countries? Regulatory alignment might include, under what you have set out, different rules and regulations here compared with what is on the rest of the continent.

The Prime Minister: Alignment means that we have the same objectives. We may achieve those objectives by the same means or we may choose to achieve those objectives by different means. In any trade agreement, that will be part of the discussion that takes place and part of the negotiation that takes place, and it will be no different here.

- Q15 **Rachel Reeves:** When we took evidence from the Food and Drink Federation, they said that convergence of regulations “is a good thing because it brings down the cost”. If we have different rules and regulations—even if we have the same objectives, Prime Minister—that might mean higher costs for industry. The food and drink industry seemed to think that. In the car manufacturing sector, they spoke about “semi-catastrophic effects of having to stop production” if EU-type approvals weren’t able to be provided by the UK vehicle certification. Businesses are worried about us diverging from the rules and regulations. Even if we have the same objectives, they are worried about diverging from the specific rules and regulations because that will make it harder for trade. Is that what businesses are saying to you, Prime Minister? Do you understand their concerns?

The Prime Minister: What businesses want to be able to do is to continue to trade on as tariff-free and frictionless a basis with the European Union as they are able to do today. In one of the examples that you cited, it showed how this can be achieved in a number of ways, because it referenced UK authorities being able to deliver, if you like, the standards that are expected in the European Union. In any trade relationship, in order to be able to have that trade on the basis that is negotiated, agreements will be reached as to what the standards are and what the regulations are under which that trade takes place. This will be no different. What we are going into now is a negotiation, which will look at different areas—we are very clear that will be goods and services—and, obviously, we’ll be discussing how we achieve that trade and what that overall trading relationship should be.



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- Q16 **Rachel Reeves:** The reason why the Vehicle Certification Agency in the UK can give those type of approvals is because we are a member of the European Union. It is similar with other areas, for example the European Aviation Safety Agency or the European Medicines Agency.

In the House last week, your Brexit Minister Dominic Raab said: "Where there is a demonstrable national interest in pursuing a continued relationship with an agency or other EU body, the Government will look very carefully at...that." Will the Government look at whether we might remain in things like the European Aviation Safety Agency or the European Medicines Agency or indeed Euratom? Are those possibilities? Are any of those still on the table?

The Prime Minister: If I may differentiate between the various bodies that you have cited there: on the European Aviation Safety Agency, actually it is UK expertise that has made a significant contribution to the high standards of aviation safety that we have in Europe and we would intend to maintain consistently high standards. So of course, we will look at the question of our continued participation in EASA, but, as I say, that will be a matter for the negotiations. So of course we will look at the question of our continued participation in EASA but, as I say, that will be a matter for the negotiations.

The reason I said I wanted to differentiate between the agencies that you cited is because Euratom is a different case, because of the very unique legal relationship in relation to Euratom. That is why, when we formally notified of our intention to leave the EU, we started the process for leaving Euratom, because they share a common institutional framework that makes them uniquely legally joined, as I say. What we are doing, as you know, is we have been putting a Nuclear Safeguards Bill through, which has started in the House of Lords. We have agreed principles for addressing the key separation issues relating to our withdrawal from Euratom. That includes safeguards, future regime and principles of ownership for most special fissile material. We are going to continue to apply international standards on nuclear safety, as agreed by the International Atomic Energy Agency. It is a good example of where we will be leaving a particular institution but continuing to operate on a basis that enables people to continue to have confidence in what the UK is doing and to continue to work with us and move material between us.

- Q17 **Angus Brendan MacNeil:** Prime Minister, it is a year since you were last at the Liaison Committee. In that year, you triggered article 50 last March. When you did that, did you plan to call a general election a month later?

The Prime Minister: As I made clear at the time that I called the general election, having seen some of the response to the issues around Brexit, I felt it was appropriate to call that general election.



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Q18 **Angus Brendan MacNeil:** But were you planning to hold an election at the point of article 50 being called at the end of March, knowing that you had two years to go before the United Kingdom would leave the European Union and that there was a lot of work to do in those two years?

The Prime Minister: Yes, of course there was a lot of work to do in those two years—

Q19 **Angus Brendan MacNeil:** Did you plan to hold the election?

The Prime Minister: When I did call the general election, I was aware of the fact that we had work to do in relation to the Brexit negotiations. As you know, because I have said it, I made the final decision on the general election over that Easter time just before we came back into Parliament.

Q20 **Angus Brendan MacNeil:** Having triggered article 50 and having called the election, did you then imagine that you would go back six months later and beg the European Union for two more years in the Florence speech?

The Prime Minister: I haven't begged the European Union for two more years. If you look at what I said in the Lancaster House speech, you will see that we were already talking about the concept of a smooth and orderly process of withdrawing from the European Union. That is what the implementation period is about. This is not two more years to negotiate with the European Union. This is about two years when, practically, both businesses and Governments will be able to put in place the changes necessary to move from the current relationship to the future partnership that we will have.

Q21 **Angus Brendan MacNeil:** But the reality is that the two years that were triggered in March 2017 were not long enough, and in that period you also held an election. Now you want this two-year period to go on longer. Was it wise to hold an election in that time when you knew that time would be so short? Or did you not realise that time would be so short?

The Prime Minister: I am sorry, I don't accept the comments you are making about the timing in relation to the implementation period. We have not suddenly said, "Because there was a general election this year, we need an extra two years on the other end of this negotiation." We have been very clear all along that in order to have a smooth and orderly Brexit—that smooth and orderly leaving of the European Union—we would want to ensure that businesses and Governments were able to adjust to the future partnership. That is the purpose of the implementation period. That implementation period was always going to be after the point at which we had left the European Union which, having triggered in March of this year, will be 29 March 2019.

Q22 **Angus Brendan MacNeil:** I think people will draw their own conclusions.



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Prime Minister, on trade deals, how many countries will the UK have increased trade barriers with after Brexit?

The Prime Minister: Well, after Brexit, we are looking to ensure that we are able to have new trade deals with countries around the world, but there are also obviously a number of trade arrangements that are currently held with the European Union, and we will be looking at our relationship with those countries once we leave the EU and are no longer subject to those arrangements.

Q23 **Angus Brendan MacNeil:** We will have increased trade barriers with the EU27. That is definite.

The Prime Minister: Sorry, I didn't catch your question.

Angus Brendan MacNeil: We will have increased trade barriers and tariffs with the EU27. We have a further 40 agreements covering another 67 countries. The UK is very possibly heading for a situation in which we will have increased trade barriers with up to 94 countries. How do you feel about that, Prime Minister?

The Prime Minister: Well, I don't accept the premise of your question, I'm afraid. The premise of your question is based on our not being able to negotiate a trade deal with the European Union and on an expectation that there are bound to be increased trade barriers as a result of any negotiations we have. I don't accept that premise.

Q24 **Angus Brendan MacNeil:** But the premise of the question is based on the reality that we can have zero increased barriers, which would maintain what we have at the moment, or go up to as many as 94. My original question in this area was how many countries—between zero and 94—the UK will have increased trade barriers with.

The Prime Minister: And as I have made clear, when we have left the European Union, we will be looking to have trade deals in place. Obviously there is the question of what we can do during the implementation period, but we intend to have trade deals in place with countries around the world. In some cases, the European Union may not currently have trade deals with those countries. There will be countries where the European Union does have trade deals, and we will be looking at the relationship that the United Kingdom will have with those countries post Brexit as a result of no longer being part of those EU trade deals. We have already started discussions with a number of those countries about how we can ensure—

Q25 **Angus Brendan MacNeil:** I am aware of that, Prime Minister, but do you accept the basic premise that it is possible for the UK to have increased trade barriers with up to 94 countries? Do you accept that possibility?

The Prime Minister: What I am saying is—



Angus Brendan MacNeil: Do you accept the possibility?

The Prime Minister: What we will be doing is—

Angus Brendan MacNeil: The question that I am asking, with all respect, is whether you accept the possibility.

The Prime Minister: The premise of your question, if I may, is that the United Kingdom is not going to be able to negotiate a trade deal either with the European Union or with any of those countries with which we currently have a trade deal as a member of the European Union. One possibility, of course, is that we could roll over those arrangements with those countries as an individual country after we leave the European Union. We have already started discussions with a number of countries about what our future relationship with them will be, because our aim is to ensure not that we see new trade barriers being put in place for the United Kingdom, but that we actually see improved trade relationships with countries around the world.

Q26 **Angus Brendan MacNeil:** A final question. There are political prisoners at the moment in the European Union—in Spain. Do you have any particular view on that, Prime Minister?

The Prime Minister: Sorry, did you say—

Angus Brendan MacNeil: There are political prisoners in Spain at the moment. Do you have any view on political prisoners in the European Union in 2017? Does your Government have a view?

The Prime Minister: I assume that you are making a reference to the fact that the Spanish Government has ensured that the Spanish constitution is abided by and that people abide by the rule of law in Spain. We support the Spanish Government in believing that the Spanish constitution should be applied and the rule of law should be applied.

Chair: We are going to come on to a group of questions about Northern Ireland, foreign affairs and home affairs, starting with Andrew Murrison.

Q27 **Dr Murrison:** Prime Minister, good afternoon. You seem a long way away down there. You have had a really tough day; my apologies that we are making it a lot worse for you. Congratulations on bringing us to where we are at the moment. Can I ask you who is going to pay for the rights of Northern Ireland residents who identify themselves as being Irish and will therefore continue with the possibility of an EU passport after Brexit? I mean things like the European health insurance card, for example, and—probably more importantly—other, further rights that the European Union may grant in the future. There are three possible payers for this, of course: the United Kingdom, the Republic of Ireland and the European Union itself. Which of them will pay for those rights?



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The Prime Minister: Sorry, I was just checking the references. The question of things like the healthcare rights was actually covered in the joint progress report that was published between the United Kingdom and the European Union. This is exactly one of the issues that has been under discussion, in order to ensure citizens' rights in the future and make sure that those arrangements can continue as they do at present.

- Q28 **Dr Murrison:** Clearly, but there may be rights that the European Union decides to award its citizens in the future, and very often rights have a price tag. Whilst rights are a good thing, clearly we have to consider who is going to pay for them. In the future, were the European Union to award rights, it would be useful to know—given that we have accepted that those identifying as Irish will continue as European Union citizens although they are resident in Northern Ireland—who would actually be responsible for paying for any consequentials.

The Prime Minister: I am sorry, I have just been shown—The reference in the joint progress report, which I was looking for, specifies in the European health insurance card scheme, that “Persons whose competent state is the UK and are in the EU27 on the specified date (and vice versa)—whether on a temporary stay or resident—continue to be eligible for healthcare reimbursement, including under the EHIC scheme, as long as that stay, residence or treatment continues”. Obviously, that is an agreement that is going to take place in the future, so we will continue to be able to do that.

- Q29 **Dr Murrison:** And, Prime Minister, that will hold for any further rights that the European Union might wish to award within healthcare or elsewhere.

The Prime Minister: Well, no. That is specifically about the current arrangements that residents have within the European Union. The citizens' rights element of this is about ensuring the choices people have already made will continue to be respected in the future. It is in that context that that is set.

- Q30 **Dr Murrison:** Okay. Thank you. So any further rights that the European Union may determine would be paid for by who?

The Prime Minister: As it also says in the joint progress report, specifically in relation to Northern Ireland, “Both Parties therefore agree that the Withdrawal Agreement should respect and be without prejudice to the rights, opportunities and identity that come with European Union citizenship for such people”—the people of Northern Ireland who are Irish citizens and will continue to enjoy rights as EU citizens—“and, in the next phase of negotiations, will examine arrangements required to give effect to the ongoing exercise of, and access to” those rights.

- Q31 **Dr Murrison:** Thank you. Can I press you on paragraph 49 of the joint



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report and the constructive ambiguity contained therein? The default position is obviously option 3, which you have cited. I am puzzling over some of the words. It mentions the “all-island economy”, “now or in the future”, in relation to the “rules of the Internal Market and the Customs Union”, which may be subject to “full alignment”. Given that the all-island economy now or in the future means practically everything—all sectors, all industries, all products—I wonder where the divergence may emerge, in order to continue to provide our right hon. Friend the Member for North Somerset with a job.

The Prime Minister: I am afraid I will repeat the point that I made in response to the very first set of questions I was given. This is not the default position; in a sense, it is the default default position, because there are two phases that we will be going through. I fully expect that we will be able to resolve the issue about the border in Northern Ireland in the first element of negotiations—i.e., through the overall EU-UK relationship. There is a second stage we can go to if we fail that. This is, then, the final—the default default—rather than the automatic stage that we go to if we don’t manage to achieve this through the EU-UK relationship.

Q32 **Dr Murrison:** But Prime Minister, I have to press you on this, because we have to look at the worst possible option, and option 3 is clearly the worst option.

The Prime Minister: And you will, I am sure, excuse me if I say that I do sometimes hope that people would look at the best possible option, as well as only ever looking at the worst possible option, as you have described it. This is to give the guarantee that we will ensure that there is no hard border in Northern Ireland. The all-island economy already is there in a number of ways—I cited some examples in relation to the first question that I was asked—but if you go on to read paragraph 50, it is clear that we will also ensure that we do not do this in a way that disrupts or damages the economic integrity of the United Kingdom. As it says, “no new regulatory barriers develop between Northern Ireland and the rest of the United Kingdom, unless, consistent with the,” Belfast agreement, “the Northern Ireland Executive and Assembly agree that”.

Q33 **Dr Murrison:** Where do you think we can diverge? We must be able to diverge, and at the moment option 3 suggests that we simply will not diverge at all.

The Prime Minister: What option 3 is saying is that if we get to that point, we will ensure that it is possible for trade to continue across the border between Northern Ireland and the Republic of Ireland without having a hard border and without having that physical infrastructure at the border. That is the commitment that has been given. It is a commitment that we believe—because we have already put forward some proposals on this—can



be achieved as part of the wider relationship between the UK and the European Union. We will now be able to discuss and negotiate that in detail with all the parties concerned. We have not been able to do that up until now because we have been in phase 1 of the negotiations. Now we have got sufficient progress and move into phase 2, we will be able to look at this in detail with the other parties.

- Q34 **Tom Tugendhat:** Prime Minister, thank you for coming this afternoon. May I ask what global Britain means to you?

The Prime Minister: Global Britain means a United Kingdom that is playing a full role on the world stage. It has various elements to it. Part of it is the trading relationships that we want to develop around the world. Another part is us continuing to play our role in multilateral institutions around the world—so, continuing to play our role in the United Nations and NATO, and the commitments on defence and security that we give—and being an upholder of the values that underpin our society and democracy here in the United Kingdom.

- Q35 **Tom Tugendhat:** Your national security adviser specifically cited, only the other day to the Joint Committee on National Security Strategy, the three elements, which are investing in partnerships, strengthening the rules-based system and boosting prestige. Today, with the report that so many of Her Majesty's ships are alongside, the boosting prestige does seem to be rather a concern.

The Prime Minister: I would say, just look at what we are doing around the world and what our armed forces are doing around the world. Our Royal Navy is in the Mediterranean, continuing to save lives there. We have committed, as I did at the EU Council last week, to continuing to be in the Mediterranean as long as is necessary.

There is our air force and the work it has been doing in the coalition in Iraq and Syria, for example. Just last week at the *Sun* military awards, I was pleased to present an award to representatives of Operation Ruman—which was the joint-services award, led by the Navy—which went in and gave support to our overseas territories and others after the hurricanes in the Caribbean.

I think people see a United Kingdom around the world that is playing its role. Of course, commitments we have made on defence are an important part of this; so also is our commitment to maintain the 0.7% of GNI being spent on aid. That shows a United Kingdom with commitments around the world.

- Q36 **Tom Tugendhat:** What do you see us doing to increase the rules-based system?



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The Prime Minister: That is something that we are doing in a number of ways. Part of that is about working with those countries—to encourage and persuade those countries—who currently take action against the rules-based system to sign up to an international order, which is that rules-based system. It is about the contributions we make in a number of international bodies to uphold the rules-based system, be that, as I said, within the United Nations or other bodies that we are part of.

- Q37 **Tom Tugendhat:** May I ask which nations might be your priorities? When are you going to publish, or rather get the relevant Departments to publish, your priorities on these areas?

The Prime Minister: In terms of the overall response that we have as the United Kingdom and global Britain, of course we have priorities in a number of parts around the world, but in different ways around various parts of the world.

- Q38 **Tom Tugendhat:** May I switch to Europe? You cited, of course, the deep and special partnership that I know many of us hope for. The Government have spoken a little bit about the relationship with CFSP and CSDP. Could you highlight how you see us playing our role in those two organisations, or whether we have a role in those two organisations?

The Prime Minister: If I may, I would describe it in a slightly different way. What we want to continue to do as part of the deep and special partnership is, of course, continue to be able to discuss and contribute to these issues of foreign policy and defence.

We have said we are unconditionally committed to maintaining European security. We will do that. Obviously we play a key role in NATO in doing that, but would also look to the possibility of being involved in some agreements that take place in Europe—PESCO for example, which was launched at the European Council last week. We are not party to that, but there is a possibility on particular operations for other countries to be involved in that.

On the foreign policy side, we would want to continue to be able to work with countries in the European Union 27 on key issues of importance to us. One of the areas, for example, that the UK has been very clear about, and as I said in my statement on Monday that we have led on, is the need for sanctions in relation to Russia. There are issues like that where we would want to continue to work with others, to ensure that we are upholding the values that we continue to share as Europeans.

- Q39 **Tom Tugendhat:** And you rightly highlighted our structured co-operation through organisations like NATO, as part of guaranteeing our security and European security. Would you agree that we require structured co-



operation alongside the EU in order to make sure that our sanctions regimes are as effective as they should be?

The Prime Minister: Well, of course, one of the things that we will be doing as we look at legislation in relation to the position that will apply to the United Kingdom once we come out of the European Union is obviously precisely to put forward legislation to ensure that we are able to apply sanctions where we wish to apply sanctions.

Q40 **Tom Tugendhat:** But that is our own sanctions. I meant being structured alongside others.

The Prime Minister: Yes, but the point I am making is that if we are not in the European Union, we won't necessarily be a party of that regime, but we will be putting in place a regime that would enable us to ensure that we are putting sanctions in place where we agree that it is appropriate to do so, just as today we obviously put sanctions in place, not just that are applied by the European Union but also United Nations sanctions.

Q41 **Yvette Cooper:** Afternoon, Prime Minister. Ideally, do you want us to stay full members of Europol and the European arrest warrant after Brexit?

The Prime Minister: We have had debates across the Floor of the House, you and I, in the past about Europol and the European arrest warrant, and obviously I argued with our JHA opt-out that we should remain part of Europol and the European arrest warrant. I think there are benefits in both of these. This will have to be part of the negotiations in future, and whether we remain will depend on the offer and what we're able to negotiate in these.

Q42 **Yvette Cooper:** Just in terms of our objectives, in an ideal world is that something we're aiming for—to keep the full membership of both?

The Prime Minister: I have spoken about the value of Europol and the European arrest warrant. There are a number of programmes on the criminal justice and security side in Europe that I think we should look at, where there are benefits not just to the UK from being a member, but benefits to the rest of the European Union of us being a member. I would say some of those are around exchange of data at borders, for example, but the reason I answered initially as I did is that, of course, it will depend on the basis on which, as we negotiate our new security relationship with the European Union, it would be possible for us to be members of those.

Q43 **Yvette Cooper:** What would be very helpful is to know whether it still is our best objective, even if I accept that it is subject to the negotiations. It is disappointing if you're not able to be clear on that. The second thing I want just a quick clarification on is, at the border, I know that at Dover they are looking at number plate recognition cameras and other ways of



doing checks. Are you clear that that is not something that would be an option in Northern Ireland, because you have said that there will be no physical infrastructure? Can you confirm that you won't look at cameras at the Northern Ireland border?

The Prime Minister: We have said there will be no physical infrastructure in relation to Northern Ireland. We have put forward a number of options as to how we think that that border issue can be addressed. In fact, those are options that could be applicable more widely in terms of our future relationship between the UK and the European Union. If I may, there will be areas where, as I said right at the very beginning of this process, we're not going to give a running commentary on every detail of our negotiations. We're not going to give a running commentary on every aspect as we go into negotiations on these matters. We will be—

Q44 **Yvette Cooper:** Of course, but are cameras physical infrastructure?

The Prime Minister: We will be discussing how we address these issues. We have said that there will be no physical infrastructure at the border—no hard border between Northern Ireland and the Republic of Ireland—so people will be able to move across that border as they do currently. That is—

Q45 **Yvette Cooper:** Cameras have to be physical. Presumably, they're not virtual; they have to be physical. Are you ruling out cameras at the Northern Ireland border?

The Prime Minister: What I am saying is that as part of our negotiations we will be ensuring that there is no hard border between Northern Ireland and the Republic of Ireland. That can be achieved in a number of ways, and I am not going to sit here at the moment—

Yvette Cooper: A camera is a camera; it's physical.

The Prime Minister—and say precisely how we are going to achieve that, because we are going into a negotiation.

Q46 **Yvette Cooper:** Okay, that's also baffling. On the process, now that amendment 7 is in, can you confirm that there will be a vote on a statute before the withdrawal treaty is ratified?

The Prime Minister: What we are talking about in terms of the process on the withdrawal treaty is that there will be a vote in Parliament, which we have always said will be a meaningful vote on the withdrawal agreement, which would be able to take place, we would expect, before the European Parliament have had their vote. There will then be a subsequent process that Parliament will go through, in putting the withdrawal agreement and



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implementation Bill through Parliament. That is what would put the withdrawal agreement into legal status here in the United Kingdom.

Q47 **Yvette Cooper:** Sure, but now that amendment 7 has been passed by Parliament, can you confirm that that means that there will now be a vote on a statute on the withdrawal agreement before the withdrawal agreement is ratified?

The Prime Minister: It slightly depends what you are talking about, in terms of—there has to be a process—

Yvette Cooper: Before we go through the formal ratification process.

The Prime Minister: We have to have a withdrawal agreement before we can bring a withdrawal agreement Bill into Parliament, for Parliament to agree that withdrawal agreement Bill—

Yvette Cooper: Of course.

The Prime Minister: There will be an opportunity for Parliament to vote on that withdrawal agreement before that legislation is brought into place.

Q48 **Yvette Cooper:** But will there be a vote on a statute, before Britain goes through the legal ratification process, to ratify the withdrawal agreement treaty, as part of the article 50 process? Can you confirm that there will be a vote on primary legislation in this Parliament? Will Parliament have a vote on primary legislation, and not simply on a motion?

The Prime Minister: Well, Parliament will have two opportunities to vote on this issue. The first will be a vote on the withdrawal agreement and whether or not Parliament agrees that withdrawal agreement. Then there will be primary legislation to bring that withdrawal agreement into UK law.

Q49 **Yvette Cooper:** And will that primary legislation happen before Britain goes through the ratification process for the treaty?

The Prime Minister: Parliament will have an opportunity to say whether or not it agrees with the treaty that we have agreed with the European Union. There will then be a process of bringing that agreed treaty into UK law.

Q50 **Yvette Cooper:** But I'm still trying to get you to tell us the form of Parliament's vote. Will Parliament now get to vote on a statute rather than a motion before the deal is finalised with Europe?

The Prime Minister: Parliament will have an opportunity to vote on the deal before it is finalised.

Yvette Cooper: That's on a motion. You keep talking about a motion.



The Prime Minister: But that is a vote—

- Q51 **Yvette Cooper:** The consequence of amendment 7 was to propose it being done on a statute. What is your objection to it being done on a statute rather than a motion, given that the Government have ignored motions, for example the October motion on universal credit, and have a history of doing so? Can you confirm that you would have the vote on a statute before the process is finalised, rather than on a motion, because that is what amendment 7 says?

The Prime Minister: We will of course be looking at amendment 7, but the principle of what we want to do is to ensure that Parliament is able to have what we have always said will be a meaningful vote before the European Parliament has its vote and before we then bring that agreement into the legislation here in the United Kingdom. But the bit that ensures that that withdrawal agreement is in UK law will be the EU withdrawal agreement and implementation Bill.

- Q52 **Yvette Cooper:** And will that happen before the treaty is ratified—yes or no?

The Prime Minister: Well, it depends what you're talking about by formal ratification of the treaty, because there are various processes in this.

Yvette Cooper: The formal legal process.

The Prime Minister: We cannot bring a withdrawal agreement Bill before the House unless we have got a withdrawal agreement. That is just—

Yvette Cooper: So the answer is no, then. According to you, there will be no vote on a statute before—

The Prime Minister: But Parliament will have voted on that withdrawal agreement. Parliament will have had its say. Parliament will have said whether or not it agrees with that withdrawal agreement.

Chair: Thank you. We come to the final group of Brexit questions, starting with Sir William Cash.

- Q53 **Sir William Cash:** Prime Minister, I wrote to you yesterday as the Chairman of the European Scrutiny Committee regarding the disapplication of primary legislation under the current withdrawal Bill. This will be the first time in British constitutional history that the courts will be empowered to strike down Acts of Parliament under domestic legislation. Of course, as we know from the Factortame case and the striking down by the House of Lords of the Merchant Shipping Act 1988, it has been possible where an Act of Parliament is inconsistent with sections 2 and 3 of the European Communities Act 1972 and the case law of the European Court of Justice,



such as the Costa case.

However, on our leaving the EU and the repeal of that Act, completely different considerations apply. I raised this issue during the European Union (Withdrawal) Bill proceedings on 21 November, and I have referred the matter to several Secretaries of State and to the Attorney General, as well as to you, Prime Minister. Fears have also been expressed—for example by Lord Neuberger, the former President of the Supreme Court—that the courts could be dragged into the political arena.

There are those who would seek direction to the courts to be clearly included in the Bill. The question of how that would be done derives from clauses 5 and 6 of the Bill. I trust that you agree that this is a matter of such constitutional importance and novelty that uncertainty must be removed and that the Government must give clear direction to the courts to deal with the matter when the Bill is on Report on 16 and 17 January. The issue is not confined to retained EU law but also relates to pre-exit enactments.

To avoid any constitutional crisis or clash between Parliament and the courts, and to reaffirm the sovereignty of Parliament, it would be possible to amend the Bill, to introduce a clear, express statutory provision giving clear direction to the courts on these issues, for example by drawing on the concept of incompatibility, as we have in the current Human Rights Act 1998. What are your thoughts on this, given the constitutional novelty and the extreme constitutional implications of it all? Following further interdepartmental discussion, would you agree in principle to resolve this matter by amendment on Report?

The Prime Minister: Obviously, I will respond to your letter in full and in a timely fashion. I was just looking at the references in the joint progress report. One of the issues that we have discussed in part 1 of the negotiation is how we ensure that the European Union feels that we have given a sufficient guarantee of EU citizens' rights in the UK for the future. That is why we have been very clear about the relationship of the rights being brought into the withdrawal agreement and the extent to which those rights could be changed in future. That lies at the heart of the issue that you have raised in relation to the courts' ability to say that particular legislation takes primacy over other legislation. It is to ensure that consistency of interpretation, but also to ensure that consistency of approach in relation to EU citizens' rights in future. That is to give people reassurance.

Q54 **Sir William Cash:** You will look at this very carefully, won't you?

The Prime Minister: Don't worry; I will look very carefully at it and respond to your letter in full.

Q55 **Sir William Cash:** Very quickly, I would like to refer to the European



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Commission recommendation for a council decision, and the annex on the second phase of the negotiations that the European Commission issued today. I read it very carefully, and it reads very much like an ultimatum. May I urge you to be very robust in your response and language?

In the big picture, given that last year voters voted to leave the European Union, they would do so even more emphatically now if they took on board the very specific arrangements and proposals that are being put forward by the likes of President Juncker, President Macron, Schulz and so on, for ever deeper European integration. If the British voters voted as they did last time and they now had to confront the questions that are being put to them about this extraordinary centralisation and deeper integration that is in prospect, do you not agree that they would vote to leave on an even bigger scale than they did then?

The Prime Minister: The important thing for the British people is that we are leaving. Of course, it will be up to the EU27 where they take the European Union in future. As you say, there have been a number of contributions made to that debate by President Juncker, President Macron and others in recent months, but that will be a matter for the EU27. We will be out of that and not part of it.

In response to your comments about the draft guidelines that have been issued today by the Commission on phase 2 of the negotiations, they are the starting point of negotiations. I can assure you that we will be robust in our defence of the United Kingdom's interests.

- Q56 **Mr Jenkin:** Good afternoon, Prime Minister. As you know, the Public Administration and Constitutional Affairs Committee is looking at how to help the civil service become more effective as it faces the challenges of Brexit. To start with, may I ask how confident you can be in the co-ordination and leadership of DExEU across the whole of Government, to get Government ready for day one of Brexit, and that these edicts and directions are being effective?

The Prime Minister: I would say that there are a number of ways in which we can ensure that that is taking place. Obviously, we have created a significant number of new roles in Government to look at and deal with Brexit and all the ramifications of Brexit. The key issue in terms of ensuring that individual Departments are operating and doing what they need to do is the direction that comes from not just the permanent secretaries but Secretaries of State within that, and that is brought together in the committee structure that we have within Government to provide that opportunity for discussion and also agreement, which is then translated to Departments. But we monitor, constantly look at and ask the question as to what is happening, and we make sure that the Departments are providing what they need to provide and doing the work that they need to do.



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- Q57 **Mr Jenkin:** Indeed. There are 313 Gantt charts, one for each of the work streams across Government, charting the progress of and the risks to each programme. Philip Rycroft, the DExEU perm sec, says that only some 20 programmes are what he describes as moving too slowly, but how can we be confident that these thumbnail assessments are giving reliable information about the progress of these programmes?

The Prime Minister: I think that is a process that we go through in terms of challenge that comes from the civil service to Departments to ensure—obviously the Cabinet Office plays a role in this, as does DExEU. Also, any concerns about Departments and whether they are doing the job that they need to do are from time to time brought to Ministers, for ministerial encouragement and direction.

- Q58 **Mr Jenkin:** How do you respond to Sir Oliver Letwin's suggestion to PACAC last week that the organised effort across Whitehall actually requires a dedicated—what he described as—"very senior Cabinet Minister" who commands the confidence of the Prime Minister in order to make sure that the writ of these programmes really runs right through the Departments?

The Prime Minister: I would say that my own view is that we have a structure already that enables us to ensure that that writ is running through Departments. Obviously, it is clear to people the role that DExEU has, and the Secretary of State of DExEU has, in setting a lot of this in train, but ultimately the important thing for Departments is that this is a cross-Government activity, which the Cabinet discusses and agrees, and that is a very clear message not just for Secretaries of States but for their Departments.

- Q59 **Mr Jenkin:** What is the role of the First Secretary of State in this cross-departmental co-ordination, which would normally fall more naturally to the Cabinet Office or a specific Department?

The Prime Minister: The First Secretary of State plays a role in across-Government issues in terms of co-ordinating and ensuring co-ordination.

- Q60 **Mr Jenkin:** May I ask very briefly about the result of the amendment to the European Union (Withdrawal) Bill about the sifting committee? How will the Government treat decisions of the sifting committee when it recommends that secondary legislation be subject to the approval of the House?

The Prime Minister: Obviously the purpose of the sifting committee is to give the opportunity to the House not just to reassure itself but to ensure that where it thinks that matters are of such significance that they should be dealt with in a particular way—i.e. the affirmative procedure, rather than the negative procedure—that is done. Government obviously will take



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account of what the sifting committee has proposed. We would not be putting it in place if we weren't going to do that.

- Q61 **Mr Jenkin:** I am very grateful for that assurance, because I am afraid history is littered with recommendations from the Statutory Instruments Committee and the European Scrutiny Committee, where recommendations for debate on the Floor of the House or in Committee have been very much delayed or ignored, so I think it is very important.

The Prime Minister: I was going to remind you that I once wrote a pamphlet that said there should be more European debates on the Floor of the House and that more of the decisions from the Scrutiny Committee should come to the House.

- Q62 **Mr Jenkin:** Indeed. I was not going to be so discourteous as to throw that one at you, Prime Minister. For all affirmative instruments, whether designated affirmative under the withdrawal Bill or recommended affirmative by the sifting committee, how will the Government schedule the business to ensure that there is a reasonable opportunity for relevant Committees to comment on the provisions?

The Prime Minister: This is not going to be an easy task, particularly if the length of time that is available to Government for dealing with these statutory instruments is limited. I'm afraid Parliament will be very busy.

Mr Jenkin: Some of our hon. and right hon. Friends have shown great enthusiasm for sitting up very late to scrutinise many more orders and details of legislation than we might have had to, if the Bill had not been amended. Thank you very much, Prime Minister.

- Q63 **Chair:** Thank you very much. We are going to move on now to the very important domestic agenda. I don't know if you want to take a few seconds to have a glass of water.

The Prime Minister: To change folders.

Chair: We are going to start by talking about the NHS and social care. To start on that, would you recognise that there is a funding gap and that that is widening because of the scale of the increasing demand and that, although the budget is increasing, it is not keeping up with that rising demand? Would you recognise that?

The Prime Minister: I recognise that there are pressures both on the health service and on social care. On social care, of course, the pressure is predominantly from the ageing population, which also has an impact on the health service. It is in response to the pressures that we have seen that the Government has put extra money into social care. We recognise that, and we did so in the autumn Budget; we have put more money into the NHS



over the next few years. There are also questions about ensuring that we see health and social care operating well together where they need to do so, but we have put extra funding in.

- Q64 **Chair:** Indeed. But do you accept the concerns from NHS England that, when they meet to review the mandate to the NHS, difficult choices will have to be made because of the funding gap?

The Prime Minister: As I have just said, we have put in extra and we have recognised that extra funding is required.

Chair: Yes, I recognise that you have put in more.

The Prime Minister: We have put extra funding into the NHS and, obviously, into social care as well. The discussion on the NHS mandate is taking place. We have responded by ensuring in the autumn Budget that extra funding is going into the NHS. Of course, what people want to see as well is to have the confidence that the money that goes into the NHS is spent as well as it can be.

- Q65 **Chair:** Of course, and productivity in the NHS is outstripping background productivity in the wider economy. They have done extraordinarily well. There is a concern that there remains a gap, even though extra was put in at the Budget.

Can I just turn to the House of Lords Select Committee on the Long-term Sustainability of the NHS? They commented that there was a culture of short-termism across the NHS and social care; that it seemed to limp from one crisis to another, plugging the gap. Would you accept that, and that we need to take the longer view on both NHS and social care funding?

The Prime Minister: As you are probably aware, on social care I have said that the response to the pressures that we see in the social care system should be of three types. There is the short-term response, which is the £2 billion extra put in at the spring Budget, and the social care precept that has been provided for councils to choose to apply.

There is a medium-term need to respond, which I believe is about ensuring that best practice is shared, and we see best practice being adopted across the system. We are seeing some impact on delayed discharges; in relation to that the record is quite different.

There is indeed a need to ensure long-term sustainability of the system. That is why Government is doing work on this and why we will be bringing forward a Green Paper next year. We will have wide discussions and consultation on this. What I want to see, and hope we will be able to achieve, is an agreement on a sustainable system of social care into the long term



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that can continue to be supported, because that is the whole point of sustainability.

Q66 **Chair:** Prime Minister, do you feel that you are risking missing a golden opportunity to bring both health and social care into that review?

The Prime Minister: As I look at it, there are certainly overlaps in relation to health and social care. I think those are already being recognised on the ground in a number of ways. The STPs, for example, are about ensuring better integration of health and social care. If you look at some of the examples from around the country, in Salford the hospital's trust is employing social workers—

Q67 **Chair:** We all accept that work is going on, but I am talking about how we fund the system as a whole. As you know, when the House of Lords Committee started off, its remit was to look at the long-term sustainability of the NHS, but it rapidly recognised that you could not see this in isolation, so it renamed its report "The Long-term Sustainability of the NHS and Adult Social Care". Everyone that looks at this comes eventually to the same conclusion, which is that we need to look at the financial sustainability of both the NHS and social care. That is my concern.

The Prime Minister: There are of course differences between the way we approach the NHS and the way we approach social care already, in terms of the NHS being free at the point of use, for example, and there already being means-testing in the social care system. So there are different approaches to those two systems as we see them already. What is important is that we ensure that in the overlap between the NHS and social care we are seeing good integration. For me, crucially among this, this is actually good integration on the ground where people are working together, because this is not about having lots of theories about this; it is about what people do on the ground and how they ensure that is meshing together.

Q68 **Chair:** Of course, there are many things we need to put in place on the ground, but when you are preparing your Green Paper, would you consider thinking again and bringing health within the scope of that Green Paper? If your advisers tell you that they think that is necessary, would you consider it?

The Prime Minister: Work is already being done on the social care system. The current expectation of that work, and what that work is currently showing, is that what we need to do in relation to that is focus on the sustainability of the social care system to recognise where there will be overlaps with the NHS, but to look very much to focus specifically on the social care aspect of this to ensure that we can get that long-term sustainability. That is important. This is not just a sort of large pocket that we can look at.



Q69 **Chair:** Of course. Whenever I speak to audiences and I ask them whether or not they would be prepared to pay more to ensure the long-term sustainability of our NHS, they agree that they would do so by a very large margin. It is more equivocal on social care, so in bringing the two in together, do you feel that you might find that there is greater acceptability to increasing the funding and how we are going to do that if you brought both health and social care within that Green Paper?

The Prime Minister: It is right that we talk to people about the challenge that is there for social care. It is important that we ensure we have a focus on social care. I would not want to see that in some sense being subsumed in the discussion on the health service for the future and funding of the health service for the future. It is important that we are able to give a clear focus on the social care system.

Chair: Thank you, Prime Minister.

Q70 **Norman Lamb:** Good afternoon, Prime Minister. There is widespread concern, and anyone who has looked at the long-term trends sees the pressure growing inexorably on both the health system and the care system. You may remember—I appreciate it is a long time ago and you have had quite a busy year—on 1 February you agreed to meet with a group of us across the political spectrum. We had a very good discussion and you sanctioned a process of dialogue starting. We have had something of a dialogue, which I really welcome. In the run-up to the Budget, we had 90 MPs signing up to a letter to you—I do not think we have had a reply yet—again pressing you to agree to a cross-party process to confront these long-term and growing challenges. How can we convince you that this is really necessary?

The Prime Minister: I apologise. That was the letter of 18 November, I assume.

Norman Lamb: Yes; I'm not complaining. I realise you have been busy.

The Prime Minister: I apologise if you have not had a response to that letter. We want to continue the dialogue in relation to social care, because, as I said earlier—

Q71 **Norman Lamb:** But just to interrupt quickly, we are talking about health and social care because there is inevitably a connection, an interrelation, and what you do on one side of the divide always has an effect on the other.

The Prime Minister: There are undoubtedly, as we know, aspects of the social care system and the health service that do interact—that do have an implication for each other—but also there is an awful lot that the health



service does that is not actually about the social care system or has an impact on the social care system. So I think that is why it is important—

- Q72 **Norman Lamb:** But do you agree that partisan politics—politics as we normally conduct it—just is not going to solve these long-term pressures? You may have felt that in the general election campaign, where you tried to be quite audacious with a social care plan and got slaughtered as a result of it in terms of the political response. Doesn't that just show that we need to be prepared to work together? There is a whole group of people across Parliament who are committed to helping find a solution. That seems to me to be quite a big offer.

The Prime Minister: As I say, we will be publishing a Green Paper, and I would intend and hope that there could be very good cross-party discussions in response to that Green Paper, because this is not—if we are talking about the long-term sustainability of our social care system—

- Q73 **Norman Lamb:** And the health system.

The Prime Minister: I know you want us to be publishing a Green Paper that is on both; we will be publishing a Green Paper on the social care system. It is about long-term sustainability of that system, and that means not sustainability just to the end of one particular Parliament or under one particular Government; it actually needs to be something that is going to be genuinely sustainable into the future—something we can agree on.

- Q74 **Norman Lamb:** The reason why I keep mentioning the NHS is that the pressures are intense there. Just in NHS England's board papers from the end of November, they pointed out that NHS constitution rights—patient rights under the constitution—will not be met this year. We are not meeting the waiting time standards on A&E, on cancer, which are matters of life and death, and on waiting for operations, and 900 people in July were put into out-of-area beds in the mental health system. This is intolerable, isn't it? Don't we have to be prepared to work together to find solutions to this?

The Prime Minister: There have been improvements. If we look at A&E I think it is something like 1,800 people more each day who are now seen within the standard. We have the highest level of cancer survival rates. Do we want to do better, and do more? Of course we do, and I accept that—that we do want to be able to continue to improve the service that is being provided. Yes, this is a question—we are all committed to the principles that underpin our national health service and ensuring that that is able to provide for the future. I think one of the issues we have is there has, if I may say so, been a lot of focus on the NHS over time; there has probably been slightly less focus on the social care system.

Norman Lamb: I agree with that.



The Prime Minister: I think this is the part that we need to ensure we focus on, and do provide that long-term sustainability for.

- Q75 **Norman Lamb:** The final point I would make to you is it seems to me that in a way you have a choice in your period in government now. You can either preside over the slow and steady decline of the NHS and the care system, because of the pressures we all see; or you could actually go down in history as the Prime Minister who confronts these big issues, who works with other parties and comes up with solutions that can achieve a sustainable solution. Isn't that attractive to you?

The Prime Minister: I'm tempted to say I am always suspicious about people who say, "If you only do this, you will go down in history." There are various ways of going down in history.

Norman Lamb: In a good way.

- Q76 **Mr Betts:** Good afternoon, Prime Minister. I very much support efforts to get a cross-party agreement for long-term sustainable arrangements to fund social care, but there is a here and now. Any long-term changes are probably going to take several years to come in. How confident are you that every elderly person, every person with disabilities who needs social care, is going to get it next year?

The Prime Minister: We have made provision, which we believe will ensure that councils and bodies that are responsible for this are able to provide for people. What I think is important is that as we look at this it is not just about the funding for that care that is provided for individuals. It is also about how that care is provided at local levels and ensuring the quality of that care at local levels.

- Q77 **Mr Betts:** Yes, but funding is quite important isn't it, Prime Minister? The money that was put in in the spring Budget was welcomed. It came after a CLG Select Committee report asking for extra funding. Even after that money was put in, the Local Government Association—it is a cross-party organisation currently with a Conservative majority—and the independent King's Fund both said that there is a £2 billion shortfall next year in the funding for social care, yet there is no money in the Budget to deal with that.

The Prime Minister: We did, as you know, provide money in the spring Budget to provide for social care.

- Q78 **Mr Betts:** Yes, but even after that there is a £2 billion shortfall.

The Prime Minister: We have given local authorities the opportunity in relation to the social care precept.

- Q79 **Mr Betts:** Even after that there is still a £2 billion shortfall.



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The Prime Minister: I think there is work that needs to be done and remains to be done in terms of ensuring best practice across all parts of the system, because the performance across parts of the system varies significantly. The Care Quality Commission now rates 80% of social care settings as good or outstanding. That is good, but we want to ensure that all people are getting the quality of care that they need.

Q80 **Mr Betts:** So the 1 million-plus people that Age UK says are not receiving the social care they need—that is all down to councils' failures rather than lack of money, is it?

The Prime Minister: We have made provision in terms of extra funding that has gone into social care, but I recognise that there are pressures on social care. I understand what you say about the long term, but there is a need for us to approach this—this is about putting in extra money in the short term and ensuring best practice, but it is also about doing things that work for long-term sustainability, precisely because of those pressures—

Q81 **Mr Betts:** Absolutely, but immediately the King's Fund is independently saying that there is a £2 billion shortfall. You seem to be saying that there is enough money in there and those figures are wrong.

The Prime Minister: Well, councils will have access to £9.25 billion more dedicated funding for adult social care over the next three years. That is the possibility of the social care precept together with the improved Better Care Fund, and of course including the £2 billion of additional funding that was put in. Extra money is being put into social care. Last year, just over half of councils actually increased spending in real terms on social care.

Q82 **Mr Betts:** But do you accept that in real terms funding has reduced since 2010, but demand in terms of more elderly people needing social care has gone up? Do you accept that?

The Prime Minister: I recognise that there are pressures in terms of the demand that is being put on the social care system. As I said, last year just over half of councils increased spending in real terms.

Q83 **Mr Betts:** But do you accept that in real terms it has fallen since 2010?

The Prime Minister: If I say that over half of councils have increased spending in real terms last year, that is a slightly different figure from the one that you are quoting. It is a slightly different picture from the one you are quoting.

Q84 **Mr Betts:** Since 2010, it has fallen in real terms.

The Prime Minister: If you look, there are examples of councils that have shown that it is possible to expand funding and provision, and those are



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councils under different political control in various parts of the country. They have shown what can be done.

Q85 **Mr Betts:** So you're saying that there is no funding problem at all in social care?

The Prime Minister: I'm saying that we have recognised pressures that are on social care, and that is why we have put extra funding into social care.

Q86 **Mr Betts:** You don't accept the King's Fund's analysis then.

The Prime Minister: I have recognised that there are pressures on social care and we have put extra funding into social care.

Chair: Thank you. We are going to come on to education.

Q87 **Robert Halfon:** Prime Minister, thank you. With the resignation of the social mobility commissioners, would it not be a good idea to reboot the commission and put a social justice commission at the heart of Downing Street with the best experts in the land, ensuring that that commission has teeth by ensuring that it looks at every domestic policy for the impact on social justice?

The Prime Minister: I think we have an opportunity to refresh the Social Mobility Commission. I think what you are asking me is whether I will turn it into something slightly different and make it more wide-ranging.

Q88 **Robert Halfon:** Something with teeth. At the moment, it is just a state think-tank, which is very good and publishes worthy reports, but it has no teeth. Why not give it teeth and use it to reboot social justice? Why not put it at the heart of Downing Street and use it to stress-test every domestic policy in terms of social justice?

The Prime Minister: Looking at issues around social justice is one of the things we do already. I was clear about the importance I attach to this issue when I became Prime Minister. We continue to address it in a number of different ways. One can look at different governance structures and different ways to approach this, but ultimately how we deal with these social justice issues will be down to the decisions that the Government take, the policies we introduce and the legislation we introduce, where that is appropriate. Obviously a lot of this will not be about legislation. If you are saying "Should we take the opportunity to refresh the Social Mobility Commission?", I think this does give us an opportunity to do that. But the remit that we have in Government—the purpose we have in Government—does go across the whole range of social justice issues. Just one example of what we have done in that is the racial disparity audit—pretty uncomfortable reading, but for



the first time a Government actually said, "Let's look at what's actually happening out there." I would hope we have shown our commitment to this.

- Q89 **Robert Halfon:** You said, when you took office, "we will do anything we can to help anybody, whatever your background, to go as far as your talents will take you." If I can bring you on to the subject of exclusions and alternative provision, you will know that just 1.1% of pupils in alternative provision get five good GCSEs, and 63% of prisoners have been excluded. It is suggested that some schools are gaming the system by offloading challenging students. Do you not agree that urgent action is needed on alternative provision exclusions and also to make schools more accountable for the educational outcomes of the children that they exclude?

The Prime Minister: I think the Education Department has been looking at this whole question of exclusions. You are absolutely right that there are some aspects of this that we should be concerned about. You cited the percentage of the prison population who have at some stage been excluded. These are exactly the sort of issues we need to be looking at, but the Department for Education has been looking at the exclusion process and at how that can be improved so that we make sure that those pupils who are excluded are given appropriate education. I am sure the ideas that you have suggested will be looked at by the DFE.

- Q90 **Robert Halfon:** Thousands of children are being educated in alternative settings that are unregistered and do not even fall within Ofsted's remit. Would you not say it is time to change this so that every educational establishment is properly scrutinised?

The Prime Minister: Because I don't have the figures in front of me, I am not sure what you are covering when you talk about the alternative provision for education. Of course, there are some children who are not in an educational establishment as such who will be home-schooled, which is a different environment.

- Q91 **Robert Halfon:** I am including that.

The Prime Minister: You are including that in that. Well, what I would say is what we want to do is to ensure that children get the appropriate education and get a good quality of education. I think it is important that we see that. Like you, I would say that actually getting a good quality of education is absolutely a fundamental in terms of improving social mobility and ensuring that people are able to get the best opportunities in life.

- Q92 **Robert Halfon:** Very finally, Prime Minister, the manifesto said, "we will make the system easier for young people taking technical and vocational routes. We will introduce a UCAS-style portal for technical education" and nothing appears to have been said or done on this since the election. Is it still the Government's commitment to deliver this important change?



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The Prime Minister: Yes, indeed, in the T-levels that we are introducing. There are various aspects—

Q93 **Robert Halfon:** Specifically about the UCAS for FE. It was in the manifesto.

The Prime Minister: Oh, sorry. Yes, I am afraid I will have to take that away and look specifically at what we have done on the UCAS form. But it is certainly our intention to make the ability for young people to move into different types of education provision and to ensure that nobody is cut off from getting the opportunities and making the most of their talents and their skills. If I may, I will look at the specific point you have raised on UCAS. Sorry, I misheard your question.

Chair: Thank you. We come now to Frank Field.

Q94 **Frank Field:** Prime Minister, for a long period of time now, Governments have increased in real terms the benefits of pensioners and have cut the benefits of people of working age. There has been a policy of quite massive application of standards, and there are now reports of hardship in our constituencies turning into destitution. Might you consider an overall impact study of the welfare reforms—as they are called—and sanctions policy, to see where in fact there might now be need to raise the benefit of families relative to those of pensioners?

The Prime Minister: We do assess the cumulative impact of welfare reforms, tax and public spending changes on household incomes. The latest analysis of that was given in the autumn Budget—it accompanied the autumn Budget in November. Obviously, we want our welfare system to provide a safety net for those who need it. We are spending over £90 billion a year on working-age benefits. In terms of how we best provide for people, of course I continue to believe that the best route out of poverty is through work, and actually helping to get people into the workplace is an absolutely crucial part of this. But as I say, the overall impact of the welfare reform, tax and public spending plans on household incomes is assessed and was published in an accompaniment to the Budget in November.

Q95 **Frank Field:** As you have been mired in having to give the most detailed replies, can I actually follow up in correspondence with you whether in fact, for the vulnerable tail end, our official data do not as effectively capture what is happening to them as they might?

As you say, the best route out of poverty is work. You initiated the Taylor review to look at what was happening in the labour market, and you have had a joint report from the Committee that Rachel chairs and the Committee that I chair. Given the importance the Government has attached to, in one respect, giving us a national living wage below which no one should fall, the evidence about employers getting around this, and



the other areas where the Committees made suggestions to you about where we need legislative change, without trying to entice you—you will be the most famous Prime Minister in the world by following this recommendation—

The Prime Minister: This wouldn't be "going down in history" again would it, Frank?

Frank Field: Given that it was you who initiated this review, how serious are you about it, and over what timescale are you going to seize the initiative back on it? Or, as Rachel and I suggested, might we, with civil service guidance, do the Bill for you?

The Prime Minister: I appreciate the work that both your Committees have put into this particular issue. Of course I'm serious about the Taylor review. I wouldn't have commissioned it if I didn't think there was an issue there that we needed to address as Government. We will respond to the Taylor review shortly.

We did say in the Budget that we will be consulting on employment status and looking at the case and the various options for longer-term reform to make the employment status test for employment rights and tax clearer. Obviously, as you will appreciate, that particular aspect is a complex issue, and I think it is right that we look at it in the round. But the point of commissioning Taylor was to say, "We have a changing employment market. We need to ensure that the structures that we've got, the rights that we have and every aspect actually reflects that changing market." So we're looking very seriously at the report that Matthew Taylor produced, and obviously we'll look at the work that both of your Committees did as well. I note your offer to take the work away from the civil service—or perhaps with the support of the civil service—and do it yourselves, but we will obviously want to respond to the report.

Q96 **Frank Field:** It is clear from this broadcast, Prime Minister, the huge amount of energy that you have to put into the Brexit negotiations. I welcome the creation of this Brexit Cabinet and you, in a sense, changing the whole tempo. There is a danger of you trying to do too much when other people want to help you. Rachel and I want to help you on this, obviously along lines that you accept. You don't have to do everything, Prime Minister.

The Prime Minister: As I say, we will respond to the Taylor review. I have to say I think—I hope the female members of the Committee will agree—that women are pretty good at multitasking.

Frank Field: There are limits even to good multitaskers.

Q97 **Chair:** I think Frank raises an important point. All the energy of



Government is going into Brexit.

Frank Field: And it should do.

Chair: You have huge good will around this table for joint working. You have heard from the CLG, Science and Technology, Health, BEIS and Work and Pensions Committees. Can I urge you again, Prime Minister, to really see the Liaison Committee and Select Committees as something that can really help you to get important domestic policy agendas across the line, which is particularly challenging when we have a hung Parliament and Brexit? I really hope that you will take that opportunity.

The Prime Minister: I recognise the work that Select Committees do, and obviously that this Committee does, bringing as it does the Chairs of the Select Committees together. I would say that it is not the case that the whole of the energy of Government is being put into Brexit. Obviously, this is a very big task that the Government is undertaking. We are putting the right level of expertise and the right level of resource into doing it, but we are also doing various other things alongside it—the changes we are making to technical education, which have been referred to; issues relating to social justice, like the racial disparity audit; and the social mobility action plan. A whole variety of issues are being addressed in other areas, too. It is not the case that the Government is putting all its energy into Brexit.

Chair: Nobody doubts your skills with multitasking.

Q98 **Frank Field:** Prime Minister, the challenge we have got is equivalent to the last war. Churchill didn't concern himself with the subjects we have got to at the end of our session with you, but he did make sure they were catered for in different ways. For your health's sake, as Sarah said, there is a real opportunity for governing differently while you get on with the main issue that the country wants you to get on with and that the polls show—despite all the statements to the contrary in the Commons and so on—that they wish you to complete.

The Prime Minister: And I want to ensure that we complete the other aspects as well as Brexit. I am tempted to say that I have been tempted not just by you but by another member of the Committee to go down in history on domestic policy issues, rather than the Brexit issue.

Frank Field: I was joking about that analogy.

Q99 **Mrs Miller:** Prime Minister, the issue of sexual harassment in Hollywood and Westminster has been making the headlines, but the truth is that more than half of women in this country suffer sexual harassment, often in silence. What is your Government doing to tackle that problem?



The Prime Minister: There are a number of things that the Government can do, but it is obviously not just about Government; it is about attitudes and the approach people take in different environments to this particular issue. The Government can help by making that clear through actions at one end of the issue of sexual abuse and violence against women and girls—where we act and what we do—and by sending a very clear message in relation to that. I hope that the work that is being done, which I initiated in bringing party leaders together—the Leader of the House of Commons has now taken it up with the working group looking at harassment and other aspects not just of sexual harassment but of bullying here in the workplace of Parliament—also sends a signal to people. This is not something that is going to be changed simply by the Government taking one action or another, because it is about the attitudes that people have within workplaces and other environments.

Q100 **Mrs Miller:** Do you think the Government's violence against women strategy should directly address this? It is the most common form of abuse that women face, but it is not tackled within that strategy.

The Prime Minister: What I would say is that, first of all, it was important that we focused on the violence against women strategy and committed to it, and that we continue to put policies in place that deliver on it. In terms of the wider issue of sexual harassment, this is something that we can talk about, but on ending violence against women and girls, we are putting in place some specific pieces of legislation, like the new domestic violence legislation. There have been issues around the ring-fenced funding that we have provided to deal with this. The question of sexual harassment, which is taking place in a variety of settings, is a wider issue. I am not sure there is a single, silver-bullet answer for the Government to introduce in a strategy or otherwise that is going to deal with this, precisely because culture and attitudes are one of the hardest things to deal with.

Q101 **Mrs Miller:** There are also some specifics, aren't there? I am thinking about the case of Zelda Perkins, who worked for Harvey Weinstein, but also about non-disclosure agreements more widely. Should it be a crime to offer money to employees to silence them in relation to a wrongdoing? I think people are pretty astonished at the way non-disclosure agreements are being used in this sort of case.

The Prime Minister: If you look at the various layers of this issue, gagging clauses that try to prevent workers from whistleblowing, i.e. disclosing wrongdoing in the workplace to the relevant authority—potentially the police but also, for example, MPs in the public interest—are not legally valid or enforceable. There are occasions where somebody parts company from an employer and there will be a settlement agreement, which can contain a confidentiality agreement to provide a way of resolving a workplace dispute or ending a relationship without going through the stress and cost of an



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employment tribunal. However, those confidentiality clauses should go no further than is necessary to protect matters such as client confidentiality and commercial interest.

There are various protections on that. The Employment Rights Act 1996 makes settlement agreements unenforceable, in both the public and private sector, unless the employee has had independent advice. ACAS has a statutory code and practical guidance on settlement agreements that make clear that gagging clauses that attempt to prevent or restrict an individual from making a protected disclosure in settlement agreements are not permissible.

We have also produced guidance on settlement agreements and whistleblowing, so there are various ways in which we try to ensure that those are used in those cases where it is appropriate to use them, and that where they are used, they are used properly and not inappropriately.

Q102 **Mrs Miller:** Evidence is emerging that they are sometimes not used appropriately, and often those who are forced into agreeing to NDAs would not be aware that they are, as you have rightly said, unenforceable. Will you review the way NDAs are regulated, to try to stop that happening? After all, we are dealing with the legal profession—a highly regulated profession—possibly misusing NDAs.

The Prime Minister: I am certainly happy to go away and look at the structures we have around non-disclosure agreements and the evidence that is coming forward about how they are being used.

Mrs Miller: Thank you, Prime Minister.

Q103 **Chair:** I know you have another engagement to go to, Prime Minister, but can I just follow up on the letter that I sent you last week that followed a request from the Chair of the Defence Committee to hear from the National Security Adviser, who is currently declining to attend the Committee? I reiterate that it is the unanimous view of this Committee that we feel it is an obstruction to the work of the Defence Committee for him not to appear. Do you have a response to that, and will you allow him to attend the Defence Committee?

The Prime Minister: I will obviously respond formally to the letter that you sent me. I recognise the role that the Select Committees take, but I think it is important to recognise that the National Security Adviser is an adviser to the National Security Council and to me. He has already provided evidence to Dr Lewis in the Joint Committee on the National Security Strategy. He is co-ordinating work on the national security capability review—that is what I and the National Security Council have asked him to



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do—but his advice will be to me, and it is for the National Security Council to take and be accountable for decisions.

When we look at appearances by civil servants in front of Select Committees, it is of course Ministers who are accountable to Parliament. Civil servants give evidence on the basis that they do so on behalf of their Minister and under their directions, because it is the Minister, not the civil servant, who is accountable to Parliament for the evidence that is given to the Committee.

As I see it, Mark is giving evidence to the Joint Committee on the National Security Strategy. That is where it is appropriate for him to give evidence, and he has already done that, and—

Q104 **Chair:** Julian Lewis had only a few minutes at the Joint Committee. The Defence Committee are specifically undertaking a review of the national security capability review, and they feel that it is very difficult for them to carry out their work without his appearance before them. There is a clear precedent for the security adviser to appear at Defence Committees in the past. We feel very strongly that he should appear. That is what I would like to ask you to consider.

The Prime Minister: I assume that if the Defence Committee is looking at the national security capability review, it is looking at it in relation to its aspects of defence. The Defence Secretary and his Permanent Secretary regularly give evidence to that Committee and are happy to do so in relation to that particular issue.

Q105 **Frank Field:** So the answer is no?

The Prime Minister: But I will write to you, Chairman, and put my view in writing.

Q106 **Chair:** I have to say, we are unhappy about that as Chairs, because we do not see that there would be any harm, but there would certainly be great benefit, and it would really assist the Defence Committee in their work to have Mr Sedwill appear in front of them. We need to establish very clearly what would be the harm in him appearing.

The Prime Minister: As I say, Ministers are accountable to Parliament. Ministers are able to agree that civil servants who are responsible to them for their areas of activity appear in front of Select Committees, and those civil servants appear in front of the relevant Select Committee. I believe that the relevant Select Committee for the National Security Adviser is the Joint Committee on the National Security Strategy. As I say, aspects of defence can be covered by the Defence Secretary and his Permanent Secretary in response to the Defence Committee, as indeed any other



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departmental Secretary of State and their Permanent Secretary would give evidence to their departmental Committee.

Chair: I know that Bernard has a follow-up point.

Q107 **Mr Jenkin:** Prime Minister, forgive me for intervening on this matter, but as a matter of precedent, the National Security Adviser has appeared in front of other Committees and been very helpful. Previous National Security Advisers have appeared in front of my predecessor Committee. That is a matter of precedent. As a matter of principle, it is for Select Committees to choose who their witnesses should be, and the Government should surely assist Select Committees in that. It is not for the Government to decide which witnesses appear before Select Committees. That is a principle that this Committee has always insisted upon. The so-called rules—the Osmotherly rules—are the property of the Government. They have never been approved by the House. They are not a procedure of the House of Commons. They are something to help Government decide who to put in front of Select Committees, but in the end it is for Committees to decide who their witnesses should be. Perhaps you would consider those two points before you make a final decision.

Chair: The clear view of this Committee is that we ask you formally to reconsider.

The Prime Minister: And I am happy to respond. I note the points that you have made, and I will respond in writing to these points, as I respond to the letter that the Chairman sent.

Q108 **Frank Field:** If he can't defend himself before a Committee, he shouldn't have the job, should he?

The Prime Minister: He's perfectly capable of defending himself before a Committee. This is a long-standing issue, and it is an issue that I encountered in all my years at the Home Office—the relationship between Ministers and Parliament, and civil servants and Parliament. As I say, the Defence Secretary and his Permanent Secretary are well able to give evidence to the Defence Committee on defence aspects of the review. I have noted the points that have been made, and I will respond to them formally when I respond in writing, if I may, Chairman.

Chair: Thank you very much, Prime Minister. We ask you to take away the invitation from this Committee to go down in history on all these different points we have raised with you today. We would also like to wish you and Philip and all your team a very happy Christmas and new year.

The Prime Minister: Thank you. Merry Christmas to everybody.

Chair: Thank you so much for coming. Finally, we hope you will appear



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before us again in three months' time. That would be very nice.