HER MAJESTY’S GOVERNMENT

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(FORMED BY THE RT HON. THERESA MAY, MP, JUNE 2017)

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House of Commons

Monday 8 January 2018

The House met at half-past Two o’clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Fire and Rescue Services

1. Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): What recent assessment she has made of the adequacy of funding for fire and rescue services.

The Secretary of State for the Home Department (Amber Rudd): I recognise the vital role that firefighters play in the protection of communities, as demonstrated recently during the tragic fires at the Liverpool Echo Arena car park and in Manchester. Fire and rescue services have the resources they need and will receive around £2.3 billion in 2018-19 to continue their vital work. Single-purpose authorities’ non-ring-fenced reserves increased by 88% to £615 million between March 2011 and March 2017. That is equivalent to 49% of net expenditure.

Luke Pollard: The Home Secretary will be aware that there are 20% fewer firefighters in Plymouth today than there were in 2010, but the risk has not gone down. With combustible cladding still on the tower blocks in Mount Wise and Devonport, the risk remains high. Will the Home Secretary reassure us that there will be no further reductions in the number of firefighters in Plymouth and no further reductions in firefighting funding?

Amber Rudd: The hon. Gentleman raises an interesting point. He is right that there are 20% fewer firefighters, but there are 50% fewer fire incidents that firefighters have to attend. It seems to me that that means we are still able to get the very best service from our firefighters. If the hon. Gentleman has requirements in respect of tower blocks in his community, in which he has shown a particular interest, I urge him to approach the Department for Communities and Local Government, which sometimes allows some financial flexibility to assist with additional needs.

Mr Philip Hollobone (Kettering) (Con): In Northamptonshire, we now have a joint police and fire commissioner. Does the Home Secretary agree that that is the best way to make the best use of limited resources?

Amber Rudd: Yes; my hon. Friend is absolutely right that an excellent way to use resources most efficiently is to make sure that we have those sorts of mergers. In fact, there is now an obligation under legislation passed last year to make sure that fire authorities work more closely with the police.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Home Secretary has already referred to the major fire that ravaged the car park at the Liverpool Echo Arena on new year’s eve, when around 1,400 vehicles were destroyed. It was only because of the magnificent efforts of Merseyside firefighters that there was no loss of life. Will she take that as a warning that Government cuts, which have slashed 42 full-time appliances down to 26 now and 18 next year, are putting lives at risk? Will she undertake urgently to review funding for the Merseyside fire and rescue authority?

Amber Rudd: I would point out to the hon. Lady the scale of the reserves that I have already highlighted and ask her to work closely with her local fire authority to
ensure that it is using that money wisely. To follow up on her comments, I have the utmost respect and admiration for the firefighters who did such an excellent job in that particular incident.

Michael Fabricant (Lichfield) (Con): In Lichfield, we have a brand new fire station, but one fewer fire appliance, which seems an odd sense of priorities in the way that the fire service is run in Staffordshire. There would be a £10 million saving if only the police and the fire service were to merge their back-office functions. What can the Home Secretary do to encourage them to do just that?

Amber Rudd: That is an excellent point from my hon. Friend, and it reinforces the point that was just made by my hon. Friend the Member for Kettering (Mr Hollobone) that the best way to achieve such efficiencies is through closer working between police and fire services. I urge him to encourage his authority—if it has not done so already—to put in the business case review for us to look at.

Lucy Powell (Manchester Central) (Lab/Co-op): May I wish you a happy new year, Mr Speaker?

The Secretary of State has already mentioned the fire in the Lighthouse tower in the northern quarter in Manchester. Will she join me in praising the very quick efforts of the Manchester fire service, which meant that everybody was safely evacuated from what looked to be a very serious fire in that tower block? Will she also reassure me, and communities in Manchester and across the country, that the fire services will have not only the necessary to ensure that these fires do not spread?

Amber Rudd: I happily join the hon. Lady in congratulating and thanking the fire fighters for doing such an excellent job. She raises an important point: it is about not just resources but having the right powers. That is why we commissioned a report on building regulations from Dame Judith Hackitt, who reported her interim findings in December. We will be hearing from her later in the spring, in a few months’ time—or even in weeks—with her final report. I hope that that will give us additional guidance about what powers are necessary to ensure that these fires do not take place in future.

Amanda Milling (Cannock Chase) (Con): Tackling waste fires represents a significant financial burden for fire and rescue services; the fire at Slitting mill has cost Staffordshire fire and rescue service in the region of £70,000 to date. Will my right hon. Friend meet me to discuss the measures that can be taken to reduce the risk of waste fires?

Amber Rudd: I also congratulate my hon. Friend’s local fire authority on the good work that it has done. I am happy to volunteer the Minister for Policing and the Fire Service for an early meeting with my hon. Friend to address her concerns.

Chris Williamson (Derby North) (Lab): We constantly hear Ministers at the Dispatch Box talking about reserves in the fire and rescue service as if there is some sort of magic money tree, but is the Secretary of State aware that most of the reserves are already earmarked for future spend? The annual budget for the fire and rescue service in England is £2.3 billion, yet it holds only £143 million in unallocated reserves. That is less than a month’s operating costs. Is she seriously suggesting that capital reserves of just 6% are an adequate buffer for all emergencies? If she is, she is living in cloud cuckoo land.

Amber Rudd: I can generously deny that I am living in any cloud cuckoo land—to wipe that immediately from the hon. Gentleman’s views. I just think he is being too lenient on these enormous reserves that have been accumulated. They have grown by 150%; they are now 40% of annual revenue. I know that the Labour party is not familiar with careful public finance guarding, but I urge him to take a little more scrutiny to this matter, rather than treating it like some Venezuelian dictatorship.

Frontline Police Officers

2. Helen Hayes (Dulwich and West Norwood) (Lab): What the change in the number of frontline police officers is estimated to be between 2018 and 2020. [903102]

5. Ellie Reeves (Lewisham West and Penge) (Lab): What the change in the number of frontline police officers is estimated to be between 2018 and 2020. [903105]

13. Jo Platt (Leigh) (Lab/Co-op): What the change in the number of frontline police officers is estimated to be between 2018 and 2020. [903113]

15. Mr Tanmanjeet Singh Dhesi (Slough) (Lab): What the change in the number of frontline police officers is estimated to be between 2018 and 2020. [903116]

The Minister for Policing and the Fire Service (Mr Nick Hurd): Before Christmas, the Government proposed a new police funding settlement for 2018-19 which will increase funding by up to £450 million across the police system. It is for police and crime commissioners and chief constables to determine the number of officers required for their force areas.

Helen Hayes: On new year’s eve in West Norwood, 17-year-old Kyall Parnell became the 39th victim of a fatal knife attack in England and Wales in 2017. To solve the growing tragedy of knife crime, the police need to be able to work creatively in partnership with communities, the NHS, and other public sector agencies, but the loss of 20,000 officers since 2010 means that forces across the country are stretched to breaking point. Will the Minister guarantee that there will be no further drop in police numbers?

Mr Hurd: The short answer is that that is down to the Mayor and the leader of the Met. The hon. Lady is entirely right to talk about these tragic losses of life in tragic terms; lives have been cut very short. However, she is wrong to focus entirely on the question on police officers, because the last time London saw a spike in deaths from knife crime was in 2008, when there were roughly the same number of police officers as there are now.
Ellie Reeves: In December, I went out with my local Safer Neighbourhood team. Despite the tremendous work they do, two officers per ward is not enough. Added to that, my local police station in Penge recently closed. Met police numbers are set to fall below 30,000. Given the rise in violent crime in London, will the Government now commit to investing in our police and reversing the cuts?

Mr Hurd: Police numbers in London have been stable for some time, going back to 2008. Any decisions on future projections are to be taken by the Mayor and the head of the Met. If the Mayor does what we are empowering him to do, this settlement will mean an additional £43 million for the Met on top of £200 million of reserves. The force has made great strides in efficiency but, according to Her Majesty's inspectorate of constabulary, continues to require improvement. Of course, public safety in the capital matters a great deal, which is why the Met police have 1.6 times the number of officers per head than the national average.

Jo Platt: Constituents in Leigh are bearing the brunt of the Government’s police cuts, with Greater Manchester police officers cut by 23% since 2010. That is nearly 2,000 fewer officers on the streets of Manchester. The Home Secretary rightly praised the officers involved in the response to last year’s terror attack in the city, yet GMP face further real-terms cuts to their resources. What steps will she now take to ensure that our local police force is adequately resourced to keep the people of Leigh safe?

Mr Hurd: I am sure that the hon. Lady will welcome the fact that the number of police officers in Greater Manchester actually rose in 2016, and the fact that the police funding settlement will result in an additional £10 million going into Greater Manchester policing. She may also want to ask the Mayor why reserves for Greater Manchester have gone up by £29 million.

Mr Dhesi: In 2014-15, the provisional grant allocation for the police was just over £8 billion. However, the Home Office announced in December last year that it would be just £7.325 billion for 2018-19, despite the fact that inflation is predicted to be 7% over that period, according to the Office for Budget Responsibility. As this is a substantial real cut in police funding, would the Minister like to suggest where savings could be made on a scale that would protect police numbers?

Mr Hurd: I am sure that the hon. Gentleman will welcome the fact that, if the police and crime commissioner exercises the flexibility that we are offering, Thames Valley police will benefit from an initial £12.7 million in 2017-18. How that works out to a cut, I do not know.

Philip Davies (Shipley) (Con): I thought I had better get in quick before the Prime Minister’s inevitable call to me. [Laughter.]

There has been a very worrying increase in crime across the Shipley constituency over recent months, and my constituents and I expect to see more police officers. The first duty of the Government is to protect the public and keep them safe, and I have to say to the Government that they are not putting enough focus on police resources. Will they please give the police the resources that they need to keep our constituents safe? The Government are in danger of being very greatly out of touch with public opinion on this issue.

Mr Speaker: I am sure that she is keeping a job open for the hon. Gentleman; I feel more certain of it now than ever.

Mr Hurd: I had better keep my answer short then, Mr Speaker. I understand my hon. Friend’s point. The police funding settlement means that there is more cash going into policing in Yorkshire. How that money is allocated is up to police and crime commissioners and to chief constables; they are directly accountable to the public they serve and to the Members of Parliament who serve those constituents, so these representations need to be made directly. What is not in doubt is that up to £450 million of new investment will be going into British policing next year as a result of the funding settlement.

Theresa Villiers (Chipping Barnet) (Con): The Mayor of London has something over half a billion pounds in reserves. Does the Minister agree that some of that should be spent on strengthening police resources in my constituency?

Mr Hurd: The Met’s budget is set to grow to £2.5 billion. There are reserves of £200 million in the Met. In addition, the Mayor has his own reserves. Funding per head for officer numbers is running at over one and a half times the national average in London. It is time—I speak as a Londoner and a London MP—for the Mayor of London to give a serious answer to the question, “What are you doing?”, because at the moment the answer is just writing letters to the Home Secretary, and that is not good enough.

Nigel Huddleston (Mid Worcestershire) (Con): Although the number of police officers is very important, so are their skills and the nature of the crime they are dealing with. Given that we are now 20 times more likely to be a victim of online crime than offline crime, can the Minister assure us that the police have the skills to deal with crime in the digital age?

Mr Hurd: I thank my hon. Friend for making an incredibly important point. I know that my constituents are much more vulnerable to crime on their computers at home than they are when walking down Ruislip High Street. We have to respond to the changing nature of crime in this country. The number of police officers matters a great deal, but the capabilities inside the service matter enormously. That is why this Government are investing £1.9 billion in cyber-security.

Rebecca Pow (Taunton Deane) (Con): Happy new year to you, Mr Speaker.

This is really all about getting the best service for the funds we have invested. Avon and Somerset police have seen a 180% rise in sexual offences and a 42% rise in recorded domestic abuse in the past four years. Can the Minister confirm that any new funding, either from Government—that is most welcome—or raised through an increase in the precept, can be directed to these growing areas of crime?
Mr Hurd: If the PCC uses its new powers, Avon and Somerset should receive £8 million of new investment next year, and that will need to be allocated to local priorities. The numbers that my hon. Friend states about the growth in reporting of crimes such as domestic violence are striking, and I would expect that to be reflected in local priorities.

Police and Fire Services: Collaboration

3. Richard Drax (South Dorset) (Con): What steps her Department is taking to encourage greater collaboration between police and fire services.

4. Martin Vickers (Cleethorpes) (Con): What steps her Department is taking to encourage greater collaboration between police and fire services.

The Minister for Policing and the Fire Service (Mr Nick Hurd): The Government are very keen to encourage further collaboration between the blue-light services and have taken actions through the Policing and Crime Act 2017 to empower exactly that.

Richard Drax: I wish you and your family a happy new year, Mr Speaker. I congratulate my right hon. Friend the Home Secretary on retaining her job. She is doing splendid work.

Can the Minister reassure me and my constituents that, given that collaboration is potentially leading to a sort of patchwork quilt of service across the country, he will ensure that the integrity of services will be maintained?

Mr Hurd: My hon. Friend makes an important point. First, joint police and fire governance will improve accountability because there will be a single point of accountability, democratically elected. Secondly, in relation to the efficiency and integrity of fire services, I hope that he will welcome the significant reform introduced by this Government—the introduction of independent inspection of fire services.

Richard Drax: I recently held meetings with the chief constable and the chief fire officer for the Humberside area, and welcomed the fact that they are collaborating more closely. Can the Minister reassure my constituents that in an area that contains chemical plants, oil refineries and other dangerous plant, the fire service will not take its eye off the ball in its main role?

Mr Hurd: I am well aware of the risks in my hon. Friend’s constituency. As the Home Secretary said, our local fire services are adequately resourced and sit on relatively high levels of reserve, so we believe that they have the resources to do the job.

James Frith (Bury North) (Lab): Twenty-two-year-old Steven Dyson’s body was found in the River Irwell in Ramsbottom on Saturday morning, six days after he went missing on new year’s day. It is at the worst of times that we often see the best of people. Will the Home Secretary join me in thanking Greater Manchester police, our fire service, and the hundreds of local volunteers who spent last week looking for Steven, as well as Ramsbottom British Legion, which hosted the campaign centre, and all the local businesses that donated items to our cause? The outpouring of support was incredible, and I hope that it goes some way to giving strength to Steven’s dear mum and everyone mourning.

Mr Hurd: I am sure that the whole House would want to associate itself with the hon. Gentleman’s remarks and to pass on our condolences to the young man’s family. Of course I join him in paying tribute to the hard work of all the emergency services involved in that tragic circumstance.

Judith Cummins (Bradford South) (Lab): Does the Minister accept that there is already a great degree of co-operation and collaboration between our blue-light services and that any move by the Government to force further formal collaboration through mergers could be detrimental to all services?

Mr Hurd: I entirely agree with the hon. Lady that there are fantastic examples of collaboration across the country—fire and fire, police and police, and across the blue-light services—and evidence is building about the benefits, not just financial but in terms of service to the public. We are simply saying that where police and crime commissioners want to seize such an opportunity to improve accountability for local performance, we will enable them to do so, but they still have to deliver a strong business case and they still have to consult their communities.

James Gray (North Wiltshire) (Con): Like my hon. Friend the Member for South Dorset (Richard Drax), I was very uneasy about the amalgamation of the Wiltshire fire service and the Dorset fire service last year. Does my hon. Friend the Minister not agree that it makes subsequent co-operation with the ambulance service or the local authority very much more difficult? Is their amalgamation irreversible, and if so, what will he do about the other amalgamations he seeks?

Mr Hurd: I thank my hon. Friend for that question. My understanding is that that amalgamation is actually irreversible, and if so, what will he do about the other amalgamations he seeks?

Mental Health Assessments: Detention

6. Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): How many people have been unlawfully detained for more than 24 hours while awaiting a mental health assessment in each of the last three years.

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): Provisions in the Policing and Crime Act 2017 ban the use of police cells as places of safety for under-18s, restrict their use for adults and reduce the maximum period of detention to 24 hours. Information on the length of time for which people are detained under the Mental Health Act 1983 pending an assessment is not held by the Home Office, but we are seeking to ascertain the scale and nature of this issue and we are reviewing the available information that we were provided with last month by the College of Policing.
Freet Kaur Gill: Under the Police and Criminal Evidence Act 1984, the police have just 24 hours to hold someone with a mental illness. The College of Policing shared with the BBC last December the fact that 264 people were held for longer than this, including a mentally ill child who was held for five days. Is the Home Secretary aware of this report, and what steps have been taken to remedy the situation?

Victoria Atkins: Very much so, and I thank the hon. Lady for raising this important issue. We know that there is an issue in this area, and she will be pleased to know that her constabulary—the West Midlands—in fact does very well on this. It did not use police cells at all for such detentions last year; indeed, since 2013 it has used them on only 14 occasions. Of course, however, any such occasion is one occasion too many. She will I am sure join me in being pleased that the use of police stations as places of safety nearly halved last year, but we need to do more.

Mike Wood: Does the Minister agree that a police cell or a police station is not a suitable place for an innocent person suffering from mental health problems, and will she support initiatives such as the mental health triage projects in the West Midlands to make sure that people with mental health problems get the medical support they need when they need it?

Victoria Atkins: Very much so. My hon. Friend will be pleased to know that health places were used as places of safety in more than 26,000 cases last year, compared with 1,029 cases of using cells, but we are determined to try to sort this out.

Ms Diane Abbott: The NHS is working with the police on mental health issues. On the question of detention, the Minister will have read recent reports that immigration detainees are being paid £1 an hour. Will the Minister assure the House that no pregnant women are currently being held in immigration detention centres?

Victoria Atkins: As I say, we are determined to ensure that places of safety are in appropriate places—health places—and we are investing £30 million to try to ensure that happens. If there are any individual cases that the right hon. Lady would like to bring to my attention, I will of course consider and review them very carefully.

Immigration: Effect on the Economy


The Secretary of State for the Home Department (Amber Rudd): The Government are clear that carefully controlled migration benefits the economy, our Exchequer and our communities in general.

Ross Thomson: I thank the Secretary of State for that answer. The Scottish Government, as well as Scottish National party Members of this place, have been calling for immigration to be devolved. Does my right hon. Friend agree that any separate immigration systems would do nothing except lead to chaos, confusion and extra barriers for those looking to live and work in Scotland as well as in the rest of our United Kingdom?

Amber Rudd: My hon. Friend is absolutely right. Immigration is a reserved matter, and applying different rules of immigration to different parts of the UK would complicate the system. He might share my view that if Scotland wants to attract the brightest and the best, as the rest of the country does, it might think twice about raising its own taxes, because that might put people off.

Dr Paul Williams (Stockton South) (Lab): The NHS reports that almost 10,000 European Union doctors, nurses and support staff left the country in the year following the referendum. Is the Home Secretary aware of those levels of staff shortages, and how does she see the situation developing if there are further restrictions on migration for work purposes?

Amber Rudd: We really value the incredibly important work that EU migrants do in our health service, and there are no plans to restrict the way in which they can come and work here. They make such an important contribution. I am aware that some of them have gone back to work in countries that have had a strong economic recovery, such as Spain. There has also been a higher level of English language test to make sure that all health professionals in our service are able to communicate very clearly and effectively with patients.

Kirstene Hair (Angus) (Con): What progress has the Secretary of State made in designing a system that allows soft fruit farmers in Angus and, indeed, across the United Kingdom to access seasonal labour from overseas?

Amber Rudd: I thank my hon. Friend for her question. I know that she is very concerned to make sure that agriculture has the support it needs from overseas workers. The Migration Advisory Committee will be looking at the issue for us, and we expect it to report later in the year.

Sir Edward Davey (Kingston and Surbiton) (LD): May I congratulate the Home Secretary on having just made a positive economic case for immigration? However, how does she think that the message given by the immigration cap, Brexit, a hostile approach to immigrants and the general rhetoric of many of her Conservative colleagues help to make that case?

Amber Rudd: The right hon. Gentleman cannot take the moral high ground on immigration. We wholly recognise the value that immigrants bring when they arrive in the UK, with the brightest and the best working in our hospitals and attending our universities. We are wholly positive about immigrants. We want to do this in a way that controls our borders and delivers on the reductions to which we have committed.

Douglas Ross (Moray) (Con): Education is vital for the economy. A constituent of mine, Heather Cattanach, returned to Canada, but Home Office delays in looking at her application left a vacancy in the Moray Primary
School where she taught. I have previously raised this issue with Ministers. Will the Home Secretary now look at it urgently so that the case can, I hope, be concluded?

Amber Rudd: I thank my hon. Friend for raising an issue about which I know he has been particularly concerned. I cannot comment on this individual case, but as soon as we have a new Immigration Minister, I will volunteer him or her to speak to my hon. Friend.

Afzal Khan (Manchester, Gorton) (Lab): International students make an enormous contribution to our economy—Labour estimates the figure to be £25 billion a year. Will the Secretary of State confirm that the Government now support Labour’s policy of removing international students from the net migration target?

Amber Rudd: I would like to reassure the hon. Gentleman that we value the contribution that those students make to our economy, culture and university towns. In the past 10 years there has been a 25% increase in their number, and in recent years there has been a 9% increase in the number of them attending Russell Group universities. Those numbers remain uncapped and we continue to welcome them.

Joanna Cherry (Edinburgh South West) (SNP): Business, trade unions and universities in Scotland have all asked this Government to look at devolving immigration to Scotland. In a report just before Christmas, the Institute for Public Policy Research think-tank said that devolving immigration would assist the Scottish economy. Will the Home Secretary now look seriously at those recommendations and at the request of business, the unions, think-tanks and universities in Scotland to devolve immigration?

Amber Rudd: The hon. and learned Lady and I have discussed this issue before, privately as well as publicly. She is aware that the Migration Advisory Committee will look at different areas and regional areas in the United Kingdom, so I respectfully suggest that she come back to me to continue the conversation when it reports, but we have no plans to devolve immigration.

Joanna Cherry: I thank the Home Secretary for saying that she will at least look at the issue. Bunessan Primary School on the island of Mull has received only one application for its vacancy for a Gaelic teacher. It came from a fully qualified teacher who was Canadian but had trained in Scotland. Despite her being the only candidate for the job, the Home Office has refused her visa application twice. Does that not show that a one-size-fits-all UK immigration policy is not working for the Scottish economy and not working for rural communities?

Amber Rudd: I am surprised to hear that there are not more Gaelic speakers in Scotland who might apply for the job, rather than Canadians. Again, I suggest that the hon. and learned Lady come to see the new Immigration Minister at some stage because there may be more to the matter than what she has said in the House. It is difficult to comment on individual cases.

Mr Speaker: I hope that that Minister will know all about the situation on the island of Mull, preferably on day one.

Border Force: Boats

8. Gillian Keegan (Chichester) (Con): What steps she is taking to upgrade Border Force boats. [903108]

17. Giles Watling (Clacton) (Con): What steps she is taking to upgrade Border Force boats. [903118]

21. Craig Mackinlay (South Thanet) (Con): What steps she is taking to upgrade Border Force boats. [903122]

22. Mrs Sheryll Murray (South East Cornwall) (Con): What steps she is taking to upgrade Border Force boats. [903124]

The Minister for Security (Mr Ben Wallace): I am standing in for the Immigration Minister, but hopefully not for too long.

In addition to the recent introduction of new coastal patrol vessels, Border Force has an ongoing upgrade programme for its cutters. It recently installed new electro-optic surveillance systems on its cutters, and it is currently upgrading radars and replacing the rigid inflatable boats used by cutters to deploy boarding teams to ensure that they remain a highly effective maritime security platform.

Gillan Keegan: Does the Minister believe that the UK Border Force is adequately resourced to safeguard small harbours and landing sites, such as those in my Chichester constituency? Our harbourmaster has already been involved in apprehending people smugglers, working with coastal communities who look out for suspicious activity. Is he considering using volunteers to support patrols in areas such as Chichester harbour or Selsey Bill? Does he agree that there is no substitute for trained and qualified Border Force professionals?

Mr Wallace: By the end of the financial year, the Border Force maritime fleet will have six CPVs and three cutters in the UK, plus two cutters deployed overseas to deal with the issue upstream—one in the Aegean and one in the central Mediterranean. Border Force has invested £108 million in new technology and capability to deal with some of those challenges and will commit a further £71 million this year.

Giles Watling: While I was volunteering with the lifeboats at Walton-on-the-Naze, I learned how important local maritime knowledge is. I believe that such intelligence would be useful to Border Force when solving and preventing crime. Is Border Force engaging with other agencies, including the Royal National Lifeboat Institution, the coastguard and pilot boats, to share intelligence, tackle crime and keep our coastline safe and secure?

Mr Wallace: The key to improving our coastal security is better collection and exploitation of data. Some of that happens through full-time people, but it also happens through the many volunteers who populate the coastal paths and watch stations of our communities. That is why Border Force has set up the multi-agency general maritime intelligence bureau to bring together the existing organisations of HM Coastguard, HM Revenue and Customs, Border Force, the Ministry of Defence, and the bureaux linked directly to the National Maritime Information Centre.
Craig Mackinlay: Will the Minister tell the House what other measures the Government are undertaking to protect and secure the UK border?

Mr Wallace: Border Force, the National Crime Agency, the police and other law enforcement agencies are working with international partners to secure our borders from a range of threats, including modern slavery, human trafficking and terrorism. Over the past two years, Border Force has invested £108 million and £71 million.

Mrs Sheryll Murray: In addition to the vital work of Border Force vessels, will my right hon. Friend congratulate the Royal Navy and other agencies on ensuring that the rules are enforced in our fishing waters?

Mr Wallace: Many people forget that our border is manned not just by Border Force but by HM Revenue and Customs, the Royal Navy, which does an amazing job on fisheries protection, and volunteers, both through the Royal National Lifeboat Institute and the coastguard. Together, they form a large set of eyes to keep watch on our coastline. That is why we have developed Operation Kraken to ensure that all reported threats go to a central place where they are analysed and acted on.

Melanie Onn (Great Grimsby) (Lab): Happy new year, Mr Speaker.

The Daily Telegraph today reports that new checks will be introduced at ports to help to stop the import of dangerous high-powered laser pens. Does this mean that the ports of Immingham and Grimsby will see more Border Force staff to help with these new checks?

Mr Wallace: What the hon. Lady will see is better use of the information we have now to target our resources in the right places. Just sending Border Force officers or customs officers to turn up randomly usually has no effect at all. If we can base it on information and work well with shippers, such as Fast UK Parcel, and all sorts of organisations shipping such contraband into the country, we can make sure that the right resources are delivered to the right places.

David Hanson (Delyn) (Lab): The Minister will know that his own figures show that 27 of the 62 small ports had no visit whatsoever from a Border Force operative over 12 months last year. That will not be solved by volunteers; it needs Border Force staffing.

Mr Wallace: The right hon. Gentleman will know from his previous job that the borders are policed not just by Border Force but by counter-terrorism officers, HMRC officers, coastguard officers and fishery protection officers. On top of that, as he will also know, the voluntary network of people such as the RNLI are the eyes and ears, and when a report is made, a suspicion raised or intelligence received, the National Crime Agency and others attend the scene to deal with it.

Pete Wishart (Perth and North Perthshire) (SNP): And there is another body to be added to that list. Over Christmas we learned of the Government’s plans to put in place a special volunteer force to help police our coastal communities. This Dad’s Army-type operation is apparently to be responsible for helping keep us safe and protect us from terrorism. I wonder if the Minister is going to come to the Dispatch Box and say, “We’re doomed”, or complacently tell us, “Don’t panic!”

Mr Wallace: The only people who are doomed are the Scottish National party. Unlike the hon. Gentleman, I have actually worn a uniform. He will know that uniformed services rely on a range of suspicions and Territorial Army support to meet the specialist requirement we need. All uniformed services should be able to take advantage of the good will people want to provide, and if we want to use specials and Territorial Army support, we will.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Happy new year from my party, Mr Speaker.

Given what the Minister just said about the role of the Royal Navy, is it not rather worrying when we read about all these Royal Navy warships being tied up at harbour and not at sea?

Mr Wallace: I am sure the hon. Gentleman wants to make sure that our naval ships put to sea are properly serviced and properly equipped for their latest patrol. That is why ships tie up in port—not for any other reason—and why we deploy ships when needed to match the threat. He will also know that fishery protection vessels are often up and down the north-east of Scotland, where his constituency is located.

Cyber-crime

9. Sir David Amess (Southend West) (Con): What steps she is taking to tackle cyber-crime.

The Minister for Security (Mr Ben Wallace): The Government take the threat of cyber-crime extremely seriously, which is why we have committed to spending £1.9 billion to support the national cyber-security strategy. This includes boosting the capabilities of the National Crime Agency’s national cyber-crime unit and investing in the cyber teams within regional organised crime units to bolster our response.

Sir David Amess: The Jazz Centre UK, a UK-wide charity with its headquarters in Southend—yet another reason why Southend should be a city—recently had £10,000 hacked from its account. Will my right hon. Friend reassure us on what further safeguards can be put in place for vulnerable charities to protect them from cyber-crime?

Mr Wallace: I am grateful to my hon. Friend. If he writes to me with the details of that case, I will be happy to look into it for him. I am particularly concerned because when something is hacked, it is usually called a “cyber-enabled” crime, which often gets a reimbursement from financial institutions. In general, we have invested in the National Cyber Security Centre in order to stop that type of fraud. It is out there, busy advising many organisations, voluntary and large scale, about what they can do to make themselves safer online. It is also why we are investing in technology to try and counter it.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Cyber-crime is one of the fastest-growing forms of crime, but after we have left the EU, the European Commission will still issue directives that relate to tackling cyber-crime: Europol will still continue to operate to apprehend criminals and the European Court of Justice will still issue rulings. What steps is the Home Office taking to ensure the continued alignment of UK laws and regulations in this field—
Oliver Dowden (Hertsmere) (Con): What steps she is taking to tackle extremism. [903110]

Amber Rudd: The Government’s counter-extremism strategy, which was published in October 2015, established a comprehensive approach to the tackling of extremism through a wide range of activities aimed at countering extremist ideology. We are also launching a new commission for countering extremism, which will identify and challenge extremist ideology and advise the Government on new policies to address it. The appointment of a lead commissioner will be announced shortly.

Amber Rudd: Flying the flag of the political wing of the anti-Semitic terrorist organisation Hezbollah is provocative, incites extremism and is deeply offensive to our Jewish community, but the flag can still be seen flying at events such as the al-Quds day marches in London. Will the Home Secretary update the House on what steps are being taken to prevent that from happening?

Amber Rudd: I am aware of, and very sympathetic to, the issues that my hon. Friend has raised. I have discussed the matter with Assistant Commissioner Mark Rowley, and I know that the police are not ignoring it. As my hon. Friend has rightly said, only Hezbollah’s military wing is currently a proscribed terrorist organisation, but its flags are the same as those of the political wings that are not proscribed. For an offence to be committed, the context and manner in which the flag is displayed must demonstrate that it is specifically in support of the proscribed military wing of the group.

John Woodcock (Barrow and Furness) (Lab/Co-op): Last month, in Turkey, I met a British national who was due to be deported back to the United Kingdom on suspicion of terrorism. The Turkish authorities gave us details of six other British nationals who have been accepted back to the UK. What is the total number of Brits who have been deported back from Turkey on suspicion of terrorism and joining Daesh, and how many of them are facing charges in the UK?

Amber Rudd: The hon. Gentleman has drawn attention to a very important aspect of our relationship with Turkey. When people who have been potentially fighting for ISIS are returning to this country, we have a managed return process so that we can prosecute. I will certainly come back to the hon. Gentleman with an update on the numbers, but I can reassure him and the House that we take every return very seriously and that, when we can, we will always prosecute.

Maria Caulfield: Women in custody in our prisons are experiencing psychological abuse as they struggle to gain access to sanitary products, which is a potential breach of their human rights. Does my right hon. Friend agree that it is essential that women in custody have access to those products?

Amber Rudd: I thank my hon. Friend for raising that important point. I completely agree that it would be outrageous if detained women were not given access to sanitary products. I have seen the report that the Home Office commissioned. We will act immediately to ensure that where that is not on a statutory footing, it will be put on a statutory footing, so that nothing like this happens in the future.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Home Secretary will be aware of the deep public concern about the Parole Board’s decision to release the serial sex offender and racist John Worboys after only eight years. I am sure that she will also be shocked to learn that some of the victims have still not been contacted by either probation or victim liaison officers. I realise that the issues surrounding the Parole Board’s decision are matters for the Ministry of Justice, but can she say whether she has had any contact with the police to establish whether they are able to pursue further the cases of 19 women who came forward after the conviction, and whether those cases can be prosecuted so that justice can be done and women can be kept safe?
Amber Rudd: I share the right hon. Lady’s views on this matter, and I am sure she will have seen today’s comments from the Secretary of State for Justice, my right hon. Friend the Member for Aylesbury (Mr Lidington), about ensuring that there is more transparency in the Parole Board. I am aware that certain victims are talking about possible judicial reviews and talking to the police, but I cannot say any more than that at this point because these matters are subject to potential legal proceedings.

Stella Creasy (Walthamstow) (Lab/Co-op): Further to the answer that the Home Secretary gave to the hon. Member from Sussex—[Interruption.] The hon. Member for Lewes (Maria Caulfield); I do apologise. Lewes is close to Sussex, I am sure.

I want to clarify a point with the Home Secretary. We would not find it acceptable to deny someone access to loo roll, so why do we think it is acceptable to deny someone access to tampons? She has said that she is committed to putting these matters on to a statutory footing. Does that include amending code C of the Police and Criminal Evidence Act 1984 and meeting the Independent Custody Visitors Association which has been working on this issue?

Amber Rudd: We commissioned the Independent Custody Visitors Association to produce the report. I share the hon. Lady’s view, but I respectfully say that I do not need reminding about this. I completely agree that of course women should have access to sanitary products, just as anyone should have access to loo roll, and yes I will put this on to a statutory footing if it is confirmed that the current guidance is inadequate. It looks likely that that is the case, but I just need to confirm it for myself.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Further to the Home Secretary’s response to the question about the John Worboys case, can she explain why her Department is still pursuing two of John Worboys’ victims, known as DSD and NBV, all the way to the Supreme Court in an apparent effort to avoid paying compensation? She will be aware that those victims are women whose cases the lower courts have already found not to have been investigated properly. How will pursuing them through the courts reassure the public that the Government are serious about keeping women and girls safe?

Amber Rudd: The Government are committed to keeping women and girls safe, and I hope that some of the points I have set out today will reassure the House that that is the case. I recognise the point that the right hon. Lady raises, but because this matter is sub judice, I cannot comment on it at the moment.

Domestic Violence

12. Paul Scully (Sutton and Cheam) (Con): What steps is she taking to tackle domestic violence. [903112]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): This Government are committed to doing everything we can to tackle domestic abuse. We have introduced a new offence of coercive and controlling behaviour. We have introduced measures such as domestic violence protection orders and Clare’s law. We have put domestic homicide reviews on to a statutory footing and committed £100 million to supporting the victims of violence against women and girls. We look forward to introducing a draft domestic abuse Bill.

Paul Scully: I thank the Minister for her answer. Refuges provide valuable specialist services to protect women from having to return to abusive situations. What commitment are the Government making to refuge services, particularly those in Sutton and Cheam?

Victoria Atkins: My hon. Friend has spoken many times about domestic abuse issues, and particularly about the help that Sutton Women’s Centre provides to the victims of domestic abuse in his constituency. The Government have made available £40 million of dedicated funding for specialist accommodation, and refuges and bed spaces have increased 10% since 2010. We are committed to reviewing funding for refuges and to ensuring that all victims get the support they need, when they need it. The supported housing consultation is ongoing, and we will of course explore all models within the sector.

Topical Questions

T1. [903161] Bim Afolami (Hitchin and Harpenden) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Amber Rudd): I should like to update the House on plans for the royal wedding in May. The marriage of Prince Harry and Meghan Markle is an occasion of national celebration, and that is why I launched a public consultation yesterday seeking views on the proposal to relax licensing hours in England and Wales over the weekend of the royal wedding. Extending the licensing hours on the nights of Friday 18 and Saturday 19 May until 1 o’clock the following morning will enable licensed premises in England and Wales to sell alcohol for consumption on site to those who want to continue their celebrations beyond the normal licensing hours. Whether toasting the royal couple or celebrating a football triumph, everyone should have the opportunity to make the most of this historic weekend in May.

Bim Afolami: I thank my right hon. Friend for that answer. Following last year’s police funding settlement, does she agree that now is the right time to work with and alongside police forces in Hertfordshire and across the country to keep improving and reforming the service to ensure that it is fit for the future?

Amber Rudd: I thank my hon. Friend for that question. We are able to confirm that this year up to £450 million of new money is going to support the police, while another £50 million is going towards counter-terrorism policing. However, that does not mean that we want to slow down the pace of reform in any way, so we will work with the police to ensure that there are reforms to make them more efficient and better servants to the community so that everybody has a better service overall.

Carolyn Harris (Swansea East) (Lab): Last week, Theodore Johnson, a serial killer and repeated domestic violence perpetrator, was sentenced to 26 years in prison
for his crimes. However, despite the fact that two women are murdered every week, high-risk perpetrators such as Johnson face little intervention from statutory services. With less than 1% of perpetrators of domestic violence receiving any form of intervention, will the Minister reassure us that the Government will look urgently at innovative programmes such as Drive that challenge the behaviours of high-harm perpetrators?

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): I thank the hon. Lady for her question and offer our condolences not only to the family of Angela Best, but to the families of Yvonne Johnson and Yvonne Bennett. The case shows how manipulative the most violent domestic abusers can be, and I join the hon. Lady in wanting to ensure that we treat perpetrators to try to stop the cycle of violence. With the hon. Member for Bristol West (Thangam Debbonaire), I had the pleasure of speaking at a recent event for Respect, which works with perpetrators, and the hon. Member for Swansea East (Carolyn Harris) is correct that we must look at perpetrators as well as, of course, at supporting victims.

Several hon. Members rose—

Mr Speaker: Order. If everybody asks a short, one-sentence question, and if replies are correspondingly brief, far more people will be able to contribute—it is not magic—and then we will spread the happiness across the Chamber.

T2. [903162] Giles Watling (Clacton) (Con): Thank you, Mr Speaker. I apologise for not wishing you a very happy new year from the sunny shores of Clacton-on-Sea.

Does my hon. Friend agree that sheer numbers of police is not the whole answer in tackling crime? In Clacton, Tendring District Council and Essex police have established a successful community safety hub with some 47 partners. Will the Minister please come to sunny Clacton to see how the scheme has been working and to look at some of the successes that we have achieved for ourselves?

The Minister for Policing and the Fire Service (Mr Nick Hurd): The answer to an invitation to visit sunny Clacton-on-Sea is, of course, yes.

T3. [903163] Mr Jim Cunningham (Coventry South) (Lab): Given cuts to police numbers and resources, how many police forces have notified the Home Office that they will not be pursuing certain types of crime?

Mr Hurd: I know the hon. Gentleman knows this, but the proposed funding settlement will lead not to cuts, but to increased investment of £450 million in our policing system, which will help police forces across the country to cope with the changing face of crime.

T4. [903164] Mark Pawsey (Rugby) (Con): Ministers have already spoken about online crime. My constituent Anne Gleed was defrauded out of a considerable sum when she was given false bank account details for the seller of a car after her emails were hacked. She reported the matter on the same day, but has been unable to recover her funds. This is an authorised push payment scam. What are the Government able to do to reduce crimes of that nature?

The Minister for Security (Mr Ben Wallace): The Payment Systems Regulator is working with the joint fraud taskforce and the National Crime Agency to invest in new technology to improve the speed of funds repatriation.

T9. [903169] Mike Amesbury (Weaver Vale) (Lab): Since 2010, according to the Fire Brigades Union, Cheshire fire service has lost more than 170 firefighters, incident response times are up, the number of available appliances is down, and casualties are rising year on year. Will the Minister now accept that his Government’s cuts are having a detrimental effect on local services?

Mr Hurd: Funding for fire services is basically being held flat against a backdrop of a welcome decline in fire incidents. At the same time, the single fire authority system is sitting on hundreds of millions of pounds of public money in reserves, so we still believe that fire services are adequately resourced.

T5. [903165] Sir Edward Leigh (Gainsborough) (Con): Will the Home Secretary confirm her commitment to the right to peaceful protest in this country? Given that there have been no successful prosecutions for harassment outside abortion agencies in recent history, will she resist the campaign to set up buffer zones? Does she accept that if peaceful protest outside abortion agencies is banned, the Government will also have to ban it, for instance, at hunts and outside animal life laboratories?

Amber Rudd: My hon. Friend and I have already met to discuss this, and it was a pleasure to meet him and various colleagues to discuss their concerns about the continuation of peaceful protests. I hope that I was able to reassure him that it is this Government’s plan always to ensure that peaceful protests can continue, wherever that is. It is also this Government’s commitment to make sure that women can access abortion safe from harassment and intimidation.

T10. [903170] Tony Lloyd (Rochdale) (Lab): One of the missing links in tackling violence against women and girls has most certainly been caused by a failure to deal with perpetrators. Although the Under-Secretary of State for the Home Department, the hon. Member for Louth and Horncastle (Victoria Atkins), responded to my hon. Friend the Member for Swansea East (Carolyn Harris) with sympathy, how precisely can we use research on what makes a difference to ensure that we empower our police forces and other agencies to deal with perpetrators?

Amber Rudd: Among the many things we can do is to carry out effective inspections, which we already have. We will be introducing a domestic abuse and violence Bill, on which we will consult. I hope we will get lots of contributions to the consultation, perhaps including from the hon. Gentleman, so that we can ensure that we stop domestic abuse and violence at an early stage and ensure that perpetrators are properly dealt with.

T6. [903166] Craig Mackinlay (South Thanet) (Con): Does the Minister share my concern that there were 59 known cases of drug-driving on Kent roads in 2016?
Sixteen of those cases resulted in serious injury, and three resulted in death. What action are the Government taking to address this increasing problem?

**Victoria Atkins:** I share my hon. Friend’s concerns and thank him for raising this important issue. We have developed mobile drug-driving enforcement devices to help the police to identify suspected drug-drivers at the roadside, and they help to enforce the drug-driving offences that were introduced in 2015 to make it illegal to drive with a specified drug in the body above certain limits. The Government commissioned an evaluation of that new drug-driving legislation, and we are considering its findings and recommendations as part of future work to strengthen the law.

**John Spellar (Warley) (Lab):** As the Immigration Minister, the right hon. Member for Great Yarmouth (Brandon Lewis), has done a runner, what will the Home Secretary do to clear up his lamentable record? In particular, does she think six months is an acceptable benchmark for resolving immigration cases? The Department is avoiding even that low aspiration via spurious excuses about cases being “complex.”

**Amber Rudd:** I would not characterise the former Immigration Minister in that way—he has done an excellent job—and nor do I share the right hon. Gentleman’s characterisation of the Department. If he has particular concerns, I would urge him to bring them to us. The vast majority of our cases are dealt with within the time set out in statutory guidance.

**Mr Hurd:** I congratulate my right hon. and learned Friend on his ten-minute rule Bill. The Government share his view that attacks on service animals are dangerous and unsustainable?

**Mr Hurd:** I do not recognise that depiction. West Midlands police is set to get an additional £9.5 million and will be able to keep increases in council tax. Let us remember that this force has increased its reserves by £26.9 million since 2011.

**Mrs Maria Miller (Basingstoke) (Con):** The Government have a clear strategy to tackle violence against women and girls. Does my right hon. Friend share my concern about the use of non-disclosure agreements to hide violence against women in the workplace?

**Amber Rudd:** I thank my right hon. Friend for that question. She is a huge champion for women, and she could perhaps assist us on that issue and contribute when we go ahead with our consultation on the new domestic violence and abuse Bill.

**Bridget Phillipson (Houghton and Sunderland South) (Lab):** In the past two years alone, we have lost more than 160 police officers in my area, yet we are seeing rising levels of antisocial behaviour and youth disorder. Rather than passing the buck to police and crime commissioners, why will the Home Secretary not give Northumbria police the funding that it needs to tackle this blight in our community?

**Mr Hurd:** It is not a question of passing the buck; we have a devolved system whereby PCCs are accountable to the public for the performance of the police. On Northumbria’s police force, I am sure the hon. Lady will welcome the fact that it is due to get another £5.1 million next year.
Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): Will the Home Secretary tell the House what we are doing to support schools to identify when the dark web is accessed through apps that are free to download? This is how some of our most vulnerable children are accessing footage of ISIS beheadings and other disturbing imagery, which is fuelled by extremists who are trying to get new recruits.

Mr Wallace: My hon. Friend is right to raise these real concerns about online access, which is why the Department for Education and the Home Office work together on campaigns such as Cyber Aware to bring good computer hygiene and caution into the classroom so that children are not exploited online. It is also why the Government invest in the Prevent programme to make sure that the people doing this are brought to justice and that the online space is not the dangerous place it could be.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): In Staffordshire, 106 councillors from Staffordshire County Council and Stoke-on-Trent City Council unanimously oppose the commissioner’s proposal to take over the running of the fire service. He is progressing with that despite there being no public support. Why are the opinions of one commissioner worth more than those of 106 councillors?

Mr Hurd: The hon. Gentleman misrepresents the situation entirely, because the obligation on a police and crime commissioner is to produce a business case and demonstrate that he or she has consulted the local community. In this case, Matthew Ellis has done just that, which is why we are reviewing it.

Tom Pursglove (Corby) (Con): Despite the rhetoric that we heard earlier, does the Home Secretary agree that what the vast majority of people in this country want is an immigration system that delivers both fairness and control, and that is underpinned by common sense? Will she deliver just that?

Amber Rudd: I thank my hon. Friend for his question. He makes an excellent point and sets out exactly what we want: fair, rational, controlled immigration that not only is good for this country, but gives the public confidence that we are protecting our borders and we are absolutely clear about the numbers that we are targeting.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Why does the Government’s domestic violence strategy not include fully funding refuges so that no woman fleeing domestic violence is denied access to vital support?

Amber Rudd: I reassure the hon. Lady that we are committed to ensuring that there are fully funded refuges. I point out to her that 10% more beds are available to women now than in 2010. She may know that a review is going on with DCLG to make sure that we have the best outcomes for supported housing, and I will ensure that we engage with that so that we continue to maintain high levels of availability of beds for women fleeing violence.

Anna Soubry (Broxtowe) (Con): In 2009, John Worboys was rightly found to be a dangerous, predatory sex offender. It is a feature of those sorts of offender that they are also clever and cunning. What assurances can the Home Secretary give us that, upon his release—if he has to be released—women will be safe?

Amber Rudd: Making women safe and ensuring that we have the legislation in place for that is a priority for me and this Government overall. The particular case that my right hon. Friend raises was under discussion part way through this Question Time. She may know that there will be a review of some of the procedures, the Parole Board element and the transparency required. The Prime Minister has already said that she wants this looked at.

Rachael Maskell (York Central) (Lab/Co-op): Control operators in North Yorkshire fire and rescue service are working under such pressure that sometimes just trainees are on duty. Will the Minister look at this issue and meet me to assess the risk to our fire and rescue service?

Mr Hurd: I am more than happy to have that meeting. My first question will be, “What are you going to do with your reserves?”
NHS Winter Crisis

3.41 pm

Jonathan Ashworth (Leicester South) (Lab/Co-op) (Urgent Question): To ask the Secretary of State for Health to update the House on the NHS winter crisis.

The Minister of State, Department of Health (Mr Philip Dunne): I thank the hon. Gentleman for applying to ask the urgent question as I agree that it is helpful for colleagues in the House to be updated on the current performance of the NHS during this challenging time.

We all know that winter is the most difficult time of the year for the NHS, and I start by saying a heartfelt thank you to all staff across the health and care system who work tirelessly through the winter, routinely going above and beyond the call of duty to keep our patients safe. They give up their family celebrations over the holiday period to put the needs of patients first. Those dedicated people make the NHS truly great.

Winter places additional pressure on the NHS and this year is no exception. The NHS saw 59,000 patients every day within four hours in November. That is 2,800 more every day compared with the previous year. The figures for December will be published on Thursday. We have done more this year in preparing and planning earlier than ever before. That means that the NHS is better able to respond to pressure when it arises. In the words of Professor Sir Bruce Keogh, the national medical director:

“I think it’s the one”

winter

“that we’re best prepared for. Historically we begin preparing in July/August. This year we started preparing last winter. We have, I think, a good plan.”

Let me tell the House about some of the things that have been done differently this year. We further strengthened the NHS’s ability to respond to risk, and the NHS set up the clinically-led national emergency pressures panel to advise on measures to reduce the level of clinical system risk.

We are supporting hospital flow and discharge. We allocated £1 billion for social care this year, meaning that local authorities have funded more care packages. Delayed transfers of care have been reduced, freeing up 1,100 hospital beds by the onset of winter. Additional capacity has been made possible through the extra £337 million we invested at the Budget, helping 2,705 more acute beds to open since the end of November.

We have also ensured that more people have better access to GPs. We allocated £100 million to roll out GP streaming in A&E departments and I am pleased that 91% of hospitals with A&E departments had this in place by the end of November. For the first time, people could access GPs nationally for urgent appointments from 8 am to 8 pm, seven days a week, over the holiday period. In the week to new year’s eve, the number of 111 calls dealt with by a clinician more than doubled compared with the equivalent week last year, to 39.5%, thereby reducing additional pressures on A&E.

We extended our flu vaccination programme, already the most comprehensive in Europe, even further. Vaccination remains the best line of defence against flu and this year an estimated 1,175,000 more people have been vaccinated, including the highest ever uptake among healthcare workers, which had reached 59.3% by the end of November.

We all accept that winter is challenging for health services, not just in this country but worldwide. The preparations made by the NHS are among the most comprehensive, and we are lucky to be able to depend on the extraordinary dedication of frontline staff at this highly challenging time.

Mr Speaker: Order. For a moment I thought that the Minister intended to treat this as though it were an oral statement, to judge by the length. I think it is fair and correct for those following our proceedings to point out that this is not an oral statement offered by the Government; it is a response to an urgent question applied for to, and granted by, me.

Jonathan Ashworth: It is always a delight to see the Minister, but the Secretary of State for Health should be here to defend his handling of the crisis, not pleading for a promotion in Downing Street as we speak.

I join the Minister in paying tribute to all those NHS staff working flat out. Many of them have said that this winter crisis was entirely predictable and preventable. When you starve the NHS of resources, when you cut beds by 15,000, when you cut district nurses, when walk-in centres are closed, when we have vacancies for 40,000 nurses, when you fragment the NHS at a local level and drive privatisation and when social care is savaged, is it any surprise that we have a winter crisis of this severity?

More than 75,000 patients, including many elderly and frail, were stuck in the back of ambulances for over 30 minutes in the winter cold this December and January. A&Es were so logjammed that they were forced to turn away patients 150 times. In the week before new year’s eve, 22 trusts were completely full for up to five days. The blanket cancellation of elective operations means that people will wait longer in pain, distress and discomfort. Children’s wards have been handed over to the treatment of adults. Of course, we do not know the full scale of the crisis, because NHS England refuses to publish the operational pressures escalation levels alerts revealing hospital pressures. Given Ministers’ keenness on duty to candour, why are OPEL alerts data not being collected and published nationally for England?

The Minister mentioned the winter pressures funding, but that money was announced in the Budget on 22 November. Why were trusts not informed of allocations until a month later? That is not planning for the winter: it is more like a wing and prayer. He will know that cancelling elective operations has an impact on hospital finances. What assessment has he made of the anticipated loss of revenue for trusts from cancelling electives? Will he compensate hospitals for that loss of revenue, or should we expect deficits to worsen? Can he tell us when those cancelled operations will be rescheduled?

The Prime Minister defends this crisis by saying nothing is perfect. Patients do not want perfection: they just want an NHS which is properly funded and properly staffed without the indignity of 560,000 people waiting on trolleys in the last year, in which operations are not cancelled on this scale, and in which ambulances are not backed up outside overcrowded hospitals. Patients do not just need a change of Ministers today: they need a change of Government.

Mr Dunne: I am glad that the hon. Gentleman mentioned the Secretary of State. I want to put on record my tribute to my right hon. Friend, who has served in that position for almost as long as Aneurin Bevan, who was the first Secretary of State for the NHS.
I am delighted to be here to respond to the hon. Gentleman, who, as usual, listed a cacophony of allegations, very few of which are directly related to the challenges that our hospitals face today—the increase in demand and pressure on our NHS as a result of a combination of the increase in population and challenges posed by demographics, as well as the weather and the presence of flu in many parts of the country, adding to the pressure on staff at this time of the year.

The hon. Gentleman asked several questions. On the funding issue, he is well aware that the £337 million announced in the Budget was allocated in December. His own local trust, which includes the Leicester Royal Infirmary, received £4.2 million. It is a great shame that he chose not to welcome that extra money for his local trust. The money announced in the Budget has been allocated, but we have kept £50 million in reserve to allocate this month if particular pressures that become apparent during the course of the month need addressing.

The hon. Gentleman asked about the impact of the cancelled operations. We do not know that operations are cancelled. There have been a few thus far; procedures and treatments are being deferred. It will not become apparent until after this period has finished how many actual operations do end up being cancelled, so it is not possible to calculate the financial impact on any of the trusts where deferral is taking place.

The hon. Gentleman referred to the situation as unprecedented. I gently remind him that we have a winter crisis of some kind or another every year. He will have been in Downing Street in 2009-10, when, as it happens, the then Conservative shadow Health Secretary chose not to try to take advantage of the near flu pandemic at the time because he recognised that there were operational pressures on the NHS and it was not down to him to score party political points. The hon. Gentleman has unfortunately chosen to do that. At that time, tens of thousands of elective procedures were cancelled to provide capacity to cope with the emergency at the front doors of our hospitals. So this is a routine way to deal with pressure coming through hospital front doors.

What distinguishes this year from previous years is that in the past elective procedures were cancelled within hours of operations being due to take place. Sometimes it was the day before and sometimes it was on the day. That caused patients considerable distress and gave rise to considerable problems for staff. We have set up the national emergency pressures panel to anticipate problems when we see the signals, and we can then give notice to patients that their procedures are going to be deferred. That is a much more humane and sensible way to do things and it provides much more opportunity for hospitals to cope with the pressures that are coming through the door.

Mr Kenneth Clarke (Rushcliffe) (Con): NHS acute services have never been better and are among the best in the world. As the Minister just said, every year we have this slightly ritual exchange about winter pressures, but does he accept that the problems are changing because of the increased number of elderly people in the population and the increased urgency of the need to solve the problem of how to admit them promptly to the right part of the service and then discharge them properly and safely as soon as they are recovered? Will he advertise further to the many people who are not aware of it the availability of emergency GP services? Will he concentrate on the reform and integration of the community care system, the social care system and the primary care services and make sure that co-operation among them is steadily improved so that they can cope better in future years, because this problem is undoubtedly going to develop?

Mr Dunne: I am grateful to my right hon. and learned Friend for making those points. He brings to the House considerable experience of what it is like to be responsible for the NHS. He is absolutely right: the number of over-80s who are presenting to hospital A&Es is going up exponentially each year. Hospitals need to adapt the way that they treat such patients to try to keep them as healthy as possible so that they can live independently for as long as possible. That is why many hospitals are now introducing frail elderly units close to or at the front door of A&E departments so that they can turn around patients and avoid admissions. My right hon. and learned Friend is also right to point to the increasing integration between the NHS and social care that is necessary to encourage more people to live independently out of hospital and leave emergency departments for those people who are urgently ill.

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, pay tribute to staff across all four health services, where the normal pressures have been added to this winter by freezing weather and influenza. Scotland still leads in A&E performance across the UK, but we do not need to see four-hour data to understand the stress that NHS England is under. Thousands of patients have been held in ambulances for more than an hour outside A&E before they can even get in, which means that ambulances could not respond to other urgent calls, and that has obviously put other patients in danger. We have heard about patients being held in corridors for hours at a time, causing not just suffering and danger to patients, but enormous stress to those staff to whom we are paying tribute.

The Minister talks about the elderly population. We need to have beds for that population. England has halved its number of beds in the past 30 years, and now has only 2.4 beds per 1,000 population, compared with four in Scotland. Will he and the Secretary of State make sure that there are no further cuts in the sustainability and transformation reorganisation, and will they look at how they replace the money that has been cut from social care so that when elderly patients are ready to go home they can do so and free a bed for someone else?

Mr Dunne: As I have already said, the social care funding has gone up very significantly this year, and there is a second billion pounds to go into social care over the next two years. The hon. Lady is right to point to Scotland having a slightly better A&E performance than England, and the two countries are far better in performance terms than any other country that we regularly monitor, but she has to be a little careful when she talks about how Scotland is performing so much better. She talked about waits. It is the case that the over-12-hour trolley waits in England, as opposed to Scotland, were half the rate of over-12-hour trolley waits in Scotland. We are providing information, and we are increasingly trying to be more transparent about the
impact of winter on our health service in England. I strongly encourage her to take back to her colleagues in the Scottish Government the amount of data that is being published in England and to see whether they can try to match it.

Dr Sarah Wollaston (Totnes) (Con): I join the Minister in thanking NHS staff and in commenting that there is nothing new about winter pressures in the NHS. What is different is that they are extending now into traditionally quieter months, and that the depth of those pressures is so much more profound over the current winter, because there has been a failure over successive Governments to plan sufficiently for the scale of the increased demand across both health and social care. Will the Minister think about the forthcoming Green Paper for social care and think about combining it with health, so that we can see this a truly across-system approach? I would also like to reiterate the points made by the hon. Member for Central Ayrshire (Dr Whitford) about the role of bed-occupancy levels. Can the Minister tell us what the current bed-occupancy levels are in the NHS in England?

Mr Dunne: On the last point, I can confirm to my hon. Friend that, at Christmas eve, the bed occupancy rate was 84.2%, below the target of 85% that we set going into this particular winter period. Of course the rate fluctuates daily and I do not have the figures for the most recent days. We did at least start this holiday period in that position, which is a great tribute to the work done in preparing for winter. I wish to reiterate to her, as I did to my right hon. and learned Friend, the importance of the integration work being done through the sustainability and transformation partnership process between NHS organisations and social care providers. It is part of the solution for the longer-term arrangements that we need to put in place to try to make sure that people who are living longer live better, more healthily and in a more independent way out of hospital.

Mr Ben Bradshaw (Exeter) (Lab): Where does the postponement of tens of thousands of operations leave the promise made by the Health Secretary to the Select Committee, the last time he appeared before us, that he would begin to reverse the very bad deterioration in routine waiting times for operations that we have seen in the past seven years?

Mr Dunne: Many areas of the country are doing very well with their waiting times. There are some—this tends to be concentrated in a relatively small number of trusts—where the referral to treatment targets are not being met, and need to be met. Part of the funding settlement achieved in the Budget in November is designed to bring down waiting time targets, to get more people treated within an 18-week period. That will clearly exacerbate the problem during this immediate period in which procedures are being deferred, but we hope that it will not last long.

Sir Desmond Swayne (New Forest West) (Con): Notwithstanding the increased funding for social care, does not the principal constraint remain the inability to discharge patients?

Mr Dunne: As I said in my initial response to the question, it is very important that we improve patient flow through hospitals. One of the critical features that enables this is ensuring that patients can be discharged when they are medically fit. We have put a huge amount of effort into this during the past nine months or so. I am pleased to say that some progress is being made, but we absolutely need to focus on this area. Again, there is huge variability between systems across the country. Some have virtually no delayed transfers of care, but the numbers of DToCs in other areas are much too high. We need to learn from the areas that are doing it right and introduce that in areas that are not.

Sir Vince Cable (Twickenham) (LD): To progress beyond the tribal arguments about funding, what is the Government’s response to the 90 MPs from both sides of the House who have urged the Government to establish a cross-party consensus to agree a funding formula for integrated health and social care?

Mr Dunne: As the Secretary of State and the Prime Minister have said, we are always interested to hear ideas for improving the health service. At the moment, we have confidence in the five year forward view; that is the route that we are taking to bring the health service forward and make it fully fit for the future. If the right hon. Gentleman has specific points that he would like to make, I am always ready to listen.

Helen Whately (Faversham and Mid Kent) (Con): It has been an extraordinarily difficult winter for hospitals serving my constituents in Kent. May I, too, thank NHS staff for the efforts that they have made to provide the best possible care? I welcome the extra money from the Government that has helped to open extra beds out of hospitals and to employ extra staff, particularly GPs and A&E staff. Will the Minister looks carefully at future capital funding bids and at Kent’s proposal for a medical school, so that we are better prepared for future winters and have the buildings and staff that we need?

Mr Dunne: My hon. Friend is a consistent champion of efforts to improve health facilities in her constituency. I am acutely aware of the challenge of medical training places in Canterbury, which was one of the reasons that we met last year to discuss what could be done to encourage medical students to come to Kent. I am not able to give her any specific guidance on the allocation of new medical training places because that recommendation will be coming to me over the next few months from Health Education England. We look forward to making decisions on that, and I specifically included in the criteria that rural and coastal areas should have good representation.

Vytjie Cooper (Normanton, Pontefract and Castleford) (Lab): The Minister will have seen the images of patients at Mid Yorkshire Hospitals NHS Trust sleeping on the floor because they could not even get a trolley, never mind a bed. We have had over 95% bed occupancy rates and a shortfall of over 200 nursing vacancies, and we will have a multimillion-pound budget shortfall by the end of this year. The Health Secretary and the Prime Minister have been repeatedly warned about this by nurses and doctors at Mid Yorkshire trust and across the country, by the public and by the NHS chief executive, yet they still decided to deny him the funding he needed at the Budget. How many more patients will have to sleep on the floor before this Government act?
Mr Dunne: I cannot comment on what the right hon. Lady says happened in her hospital regarding individual patients. I acknowledge that there has clearly been a lot of pressure on space for beds, which is in large part down to a multiplicity of factors including the high bed occupancy to cope with the high admission rate. I say gently to the right hon. Lady that her area has received £3.3 million to help to cope with winter pressures; that is not an insignificant amount. As to nursing vacancies, we absolutely recognise that we need to increase the number of nurses in this country, which is why we announced last October a 25% increase in nurses in training. That will start to take effect from next September. In addition, we have introduced the new alternative route into nursing of the nursing associate role, and we expect several thousand of those to start shortly.

Several hon. Members rose—

Mr Speaker: Order. It might be helpful to the House if I inform Members that I am looking to move on to the second urgent question at no later than 4.30 pm, so inevitably some people will be disappointed on this question. The longer each question and answer takes, sadly, the more people will be disappointed. I am in favour of fewer disappointments. I am sure that colleagues share that ambition with me, not just in general, but including in terms of its implications for their own question.

Mr Peter Bone (Wellingborough) (Con): Does the Minister agree that the social care system is broken and that the leader of the Liberal Democrats is right that we are not going to solve the problem unless we all work together?

Mr Dunne: I do not think my hon. Friend will be surprised if I say no, I do not agree that the system is broken. I do accept that it requires more funding, and that is why more funding was provided. It also requires local authorities to work more closely alongside the NHS to try to share these problems and find solutions together.

Liz Kendall (Leicester West) (Lab): The Minister said earlier that he did not know how many operations had been cancelled—maybe a few. Let me tell him that in one week alone 300 operations were cancelled in Leicester. I find myself unusually agreeing with the hon. Member for Wellingborough (Mr Bone)—social care is broken. Will the new Cabinet Office Minister be leading on the social care Green Paper, as the previous one did, and if not him, who?

Mr Dunne: I am glad that the hon. Lady has referred to the social care Green Paper, because that will be published this year, providing an opportunity for all Members to participate in it. It does not sit within my set of responsibilities, so I will come back to the hon. Lady on exactly who will be leading on it.

Maggie Throup (Erewash) (Con): My constituents can access Derby and Nottingham hospitals. The two trusts have been allocated an extra almost £7 million for winter preparedness. Will the Minister reassure me and my constituents that there will be a full analysis of how that extra money is spent, so that we can learn lessons to make sure that we build on good practices for next year?

Mr Dunne: I am pleased that my hon. Friend welcomes the extra money provided in her area. I can confirm that once this winter period is behind us, we will absolutely look to learn lessons on what works best in ensuring that we get patients seen to as quickly as possible.

Bambos Charalambous (Enfield, Southgate) (Lab): Is the Minister aware that on six of the seven days after Boxing day, all of north Middlesex hospitals’ general and acute beds were occupied? Does he agree that this state of affairs is totally unacceptable, that more investment is needed in our emergency health services and that much better planning is required for any future winter crisis?

Mr Dunne: I confirmed to the House at the beginning of my remarks that we believe that planning is essential. We started planning for this winter at the end of last winter, and I expect that we will continue to do so for the coming winter. As for what happens in individual hospitals with the individual pressures that they have, it is down to the local NHS leaders and clinicians to determine what capacity they need, and they need to plan for that, too.

Kelly Tolhurst (Rochester and Strood) (Con): In Medway, we have seen great pressures in the system over the past few weeks. We have seen advance planning at Medway Maritime Hospital and extra funding going into the clinical commissioning group. Does my hon. Friend agree that the staff at the hospital have done an outstanding job so soon after coming out of special measures and that it is important that we should hold the CCG to account on where this money is spent?

Mr Dunne: I visited the Medway hospital when it was still in special measures and saw the pressures with the configuration of the A&E and the challenges that that posed to good patient flow. I am pleased that significant investment has already gone into Medway to try to resolve some of those physical characteristics. I absolutely agree that we should praise the staff of the hospital for the work that they have done in turning it around so well.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Three months ago at the Health Committee, Jim Mackey, the head of NHS Improvement, told us that “we are running tighter than any of us would really want to and we have not had the impact from the social care investment…that we had hoped for; so, it will be difficult—it will be very tight—over winter.”

The Government knew that this crisis was coming, and the social care investment to which the Minister has referred this afternoon has not been enough. Why have this Government not acted?

Mr Dunne: The Government have acted. We provided £2.9 million of extra money to the hon. Lady’s area to cope with winter pressures. Chris Hopson, who is the chief executive of NHS Providers, has said that this winter was better prepared for “than ever before”.

David Tredinnick (Bosworth) (Con): Will the Minister congratulate the doctors and healthcare workers of Leicestershire on their excellent work over Christmas but recognise that the problems of A&E are not just
about the supply of services, but about trying to reduce demand through triage, the involvement of the 111 service at A&Es and dealing with drunks who are abusing the old doctrine of a service free at the point of delivery?

Mr Dunne: I am very pleased to respond to my hon. Friend on a subject that is not always at the forefront of his mind. He is absolutely right to highlight the abuse of the health service by certain people—revellers—who turn up at hospitals in an unfit state to be treated. In some places, we have introduced holding areas to ensure that they do not disrupt the work of the hospital.

Norman Lamb (North Norfolk) (LD): The Minister will be aware that the tragic case of the elderly lady who lost her life while waiting four hours for an ambulance is not an isolated one: there are constant failures of care across the country every day of the week. If he recognises that this is completely intolerable, will he not respond to the 90 MPs from across this House who have demanded that the Government get a grip and work, on a cross-party basis, to come up with a long-term solution?

Mr Dunne: I am always interested in what the former Health Minister has to say on these subjects, because he speaks with considerable authority. On ambulances, it is obviously unacceptable for there to be delays of that nature and leading to that kind of outcome, and we absolutely need to ensure that all trusts, when these incidents occur, look very carefully at trying to prevent them from occurring again. We have now—in part, in response to the pressures that the ambulance service has been under—set up a national ambulance control centre to try to help co-ordinate ambulance responses where services are not meeting the targets in certain parts of the country or our requirements in individual hospitals.

Andrew Selous (South West Bedfordshire) (Con): It was back in 1994 that Germany got an integrated system of health and social care, with dedicated funding to pay for it. Will the Minister commit to moving forward, both at pace and at scale, with the sustainability and transformation partnerships, which are our answer to this problem?

Mr Dunne: That is absolutely our intention.

Tracy Brabin (Batley and Spen) (Lab/Co-op): May I press the Minister a little bit further on the photographs, which were taken by a constituent of mine, of people sleeping on the floor? These poorly people had been waiting on chairs for hours and had not been given a bed or a trolley. What I did not hear in his response was the apology from the Secretary of State to patients that it is not acceptable.

Mr Dunne: I absolutely agree with my hon. Friend that improving out-of-hospital capacity in our communities is vital. That includes capacity in medical centres and community hospital settings wherever they are outside the acute hospitals, which are inevitably under the most pressure at this time.

Mike Hill (Hartlepool) (Lab): Constituents of mine recently waited several hours for an ambulance, owing to the North East Ambulance Service running at a high state of alert. What are the Government doing about the crisis in the ambulance service?

Mr Dunne: This financial year we have introduced the new ambulance response programme precisely in order to try to direct category 1 calls more rapidly, with conveyance by ambulance for those people who need it most. It is in the early stages of introduction in many areas, and we have yet to be able to analyse its impact. If my hon. Friend would like to write to me about the specific case he mentions, I would be happy to look into it for him.

Rachel Maclean (Redditch) (Con): May I thank all the staff at the Alex Hospital in Redditch for doing an amazing job this winter? The hospital and the trust have been in special measures. I thank the Minister for his interest in my hospital and for the additional Government funding to address winter pressures. It is making a difference, with encouraging early signs in the elderly and frail unit in particular.

Mr Dunne: I congratulate my hon. Friend on her campaigning role in holding the Government to account for delivering on the capital injection of £29 million that we promised to the Worcestershire trust, of which the Alex is a key part. I reiterate to her that she should not rest until it has the money.

Mr Pat McFadden (Wolverhampton South East) (Lab): The cancellation of thousands of elective surgery appointments simply shows that the Tories are doing what they have always done, which is forcing people to wait longer for their operations and rationing healthcare in that way. How will the Minister deal with the backlog that will be created in future months because of all the operations that have been put off?

Mr Dunne: I have to say that I am disappointed with the right hon. Gentleman. He was a Minister in the previous Labour Government, and in each quarter for which I have the figures, which go back to 2000, between 10,000 and 20-something thousand procedures were deferred or cancelled. This problem has affected this country’s health service every year, going back to the beginning of recorded data.

Robert Halfon (Harlow) (Con): My hon. Friend will be aware that Harlow’s Princess Alexandra Hospital has among the highest rates of A&E use in England. That has been exacerbated by the winter crisis, which has caused significant pressures on the ambulance services,
resulting in a constituent having to wait 10 hours for an ambulance over Christmas. Will my hon. Friend redouble his efforts to do everything possible to have a new hospital in Harlow, to help us with the infrastructure and ensure that Harlow has a hospital that is fit for purpose for the 21st century?

Mr Dunne: My right hon. Friend is another consistent campaigner in favour of improving the infrastructure and estate of his hospital. He has invited me to visit; I have seen it and I am well aware that the hospital trust has put in an application for a significant rebuild, which will be considered in the allocation of the next phase of sustainability and transformation plan funding.

Diana Johnson (Kingston upon Hull North) (Lab): Up to 31 December, more than 400 patients had to wait an hour outside the A&E at Hull Royal Infirmary, and a further 1,000 had to wait half an hour. Has the time not come for the Minister to accept that the NHS does not have enough beds and to reverse the policy of cutting beds, which has happened under successive Governments? This Government need to take action now.

Mr Dunne: I indicated in my opening remarks that this Government have taken action. We have freed up the number of beds available through the DToC procedure, with an increase of 1,100 in the run-up to winter. We have also, as a result of the extra money we have been given, including the several million pounds given to the hon. Lady’s area, provided an additional 2,700 winter beds. The procedure for future bed closures has been made very clear by NHS England: it will not happen unless acceptable alternative community provision is available in the area.

Gillian Keegan (Chichester) (Con): Western Sussex Hospitals NHS Foundation Trust, which runs St Richard’s Hospital in Chichester, provided excellent care over the Christmas period, despite a 9% increase in the number of patients since last Christmas. Does my hon. Friend agree that that is a tribute to excellent leadership, brilliant staff and innovative planning with other local community services to improve processes and anticipate this annual need?

Mr Dunne: My hon. Friend highlights articulately the fact that proper co-ordination between local authorities and NHS trusts in some areas means that they can cope with the pressures better than others. I commend the example that she has given.

Dr Paul Williams (Stockton South) (Lab): I worked as a doctor on the NHS frontline last week. I saw elderly patients who would have been better off being looked after at home by community and social care, and people waiting far too long for ambulances. Cancelling non-urgent work just makes more patients suffer. What does the Minister say to the woman with Crohn’s disease who is in pain and has terrible symptoms now that the bowel operation for which she has already been waiting for six months has been delayed again? The only way she will get the operation now is if things get even worse and she becomes an emergency case.

Mr Dunne: I put on the record my appreciation of the hon. Gentleman’s role not only on the Health Committee but in undertaking shifts, as he mentioned. On deferred procedures, we have given very clear instructions that time-critical operations should not be cancelled—cancer operations should not be cancelled. Ultimately, it comes down to the clinical decisions that are made at each hospital about who they should treat and who they believe can wait.

John Stevenson (Carlisle) (Con): Clearly there is pressure on the NHS, including on the Cumberland Infirmary in Carlisle. However, does the Minister agree that we must not lose sight of the positives, such as the £1.8 million investment in cancer equipment that has just gone into the hospital and the proposed £38 million investment in a proposed cancer unit, all of which are in the long-term interests of healthcare in Carlisle and Cumbria?

Mr Dunne: Cumbria is one of the parts of the country that has had persistent challenges in the delivery of healthcare. I am pleased that decisions have been taken over the past year or so, including those about investing in improving cancer facilities in Carlisle that my hon. Friend referred to, which we hope will address long-standing issues that have not been addressed under successive Governments.

Paula Sherriff (Dewsbury) (Lab): Despite the best efforts of NHS staff, patients in my area routinely waited over 12 hours just to be seen at hospital. We have heard from my hon. Friends about patients having to sleep on the floor. Will the Minister therefore take this opportunity to say that he will halt all further downgrades and closures of services in my area at Huddersfield Royal Infirmary and Dewsbury and District Hospital until a full assessment of capacity has been undertaken?

Mr Dunne: A significant amount of funding—some £3.4 million—was made available to the hon. Lady’s area. Reconfiguration proposals are being driven by the STP process. It is down to local authority leaders and local NHS leaders and clinicians to determine what is the best configuration of services in their area.

John Howell (Henley) (Con): In Oxfordshire, considerable effort is being put into growing home-based health and social care systems. Does the Minister accept that that will solve the problem of delayed discharges of care by preventing them in the first place?

Mr Dunne: I agree that prevention is an important part of the long-term solution to improve healthcare outcomes for the population. I believe we are on the cusp of some significant technological advances that will allow more treatment to take place at home and more diagnostic tests to be taken without the necessity of attending acute facilities. Oxfordshire is a good leader in that.

Ms Karen Buck (Westminster North) (Lab): Of 106 emergency beds at St Mary’s in Paddington, 105 were in continuous occupation over Christmas. Not long ago, a ceiling collapsed in a ward in that hospital. It is coping with a £500 million maintenance backlog—the biggest by far in the country. Will the Minister meet me to discuss how St Mary’s Hospital will be assisted to cope with funding a maintenance backlog that, if things went wrong at the time of these pressures, would cause an absolute calamity?
Mr Dunne: I visited the A&E department at St Mary’s for a night shift a few months ago. I was not aware of the incident of ceiling damage that the hon. Lady referred to, but I would be very happy to meet her to discuss it.

Simon Hoare (North Dorset) (Con): As my hon. Friend and his colleagues continue to wrestle with the conundrum of the merging of social care and healthcare, I urge him to keep at the front of his mind in his discussions with healthcare providers the importance of beds in community, district and cottage hospitals in providing a segue between acute settings and returning home.

Mr Dunne: My hon. Friend is a lively champion of the community hospitals in his area, which I know provide an important service, but I am afraid that I must again refer to the STP proposals and say that it is for local clinicians and health and local authority leaders to decide what is best in their area.

Mr Speaker: The hon. Member for North Dorset (Simon Hoare) should be doubly gratified to be acknowledged not merely as champion of the said hospitals but as a lively champion at that.

Mr Dunne: It is better than the alternative.

Simon Hoare: It is better than the alternative.

Mr Speaker: The hon. Member for North Dorset should be doubly gratified to be acknowledged not merely as champion of the said hospitals but as a lively champion at that.

Mr Dunne: It is better than the alternative.

Lilian Greenwood (Nottingham South) (Lab): Nottingham University Hospitals NHS Trust and the East Midlands Ambulance Service have both declared the highest level of alert in recent days. Despite the heroic efforts of NHS staff, emergency patients’ care, safety and dignity have been put at risk, and of course other patients have had their operations cancelled. Does this not confirm that the Government’s preparations and resourcing were too little and too late?

Mr Dunne: As I have tried to explain to the House, the preparations began earlier, have involved more alternative measures than ever before and have been accompanied by considerable resource allocations right across the country, including, I think, £3.4 million to the hon. Lady’s area.

Huw Merriman (Bexhill and Battle) (Con): Our fine GP surgeries around the country are facing the challenge of their neighbouring practices not being as well run, while many practitioners are choosing to retire because of our pension rules. Is it now time for the state to step in and provide practice where the private area will not cover?

Mr Dunne: Clinical commissioning groups have a responsibility to provide cover in every area, so if a practice does close, it is up to the CCG to ensure alternative provision. That responsibility is part of the NHS mandate and remains with it.

Liz McInnes (Heywood and Middleton) (Lab): Pennine Acute Hospitals NHS Trust, which serves my constituency, has advised the public to attend A&E for serious or life-threatening conditions only and the rest to visit the local pharmacist or call 111. What immediate help will the Minister give to community pharmacies and the 111 helpline to help them to cope with the increased demand?

Mr Dunne: The hon. Lady is absolutely right to point to the increased demand channelled in part through very local facilities such as pharmacies and NHS 111. The latter has seen a 21.5% increase in the volume of calls in the last month, but, despite that, has had nearly a doubling, compared with a year ago, of the number of calls dealt with by a clinician—just under 40%—which is very impressive.

Andrew Bridgen (North West Leicestershire) (Con): On my behalf and that, I hope, of the hon. Member for Leicester South (Jonathan Ashworth), may I welcome the £4.2 million of additional winter funding for the University Hospitals of Leicester NHS Trust? To remind the Labour party what an NHS crisis really is, will my hon. Friend tell the House who was in charge at the time of the Mid Staffs crisis?

Mr Speaker: Order. I have tried over a period of seven and a half years to educate the hon. Gentleman, and I am afraid that on the whole my efforts have been unavailing. I have tried to explain to him that his responsibility is to ask questions about the policy of the Government, for which it is the responsibility of the Government to answer; it is not the occasion for asking questions about the policy of the Opposition or the opposing party when in government. It is a point that is so blindingly obvious that only an extraordinarily sophisticated person could fail to grasp it.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Royal Stoke University Hospital in my constituency faces a double whammy during this winter crisis: an estimated net cost of £8 million even with the Government’s investment of this period and the loss of income as a result of the cancelation of elective surgery where income has been put to one side. How does the Minister expect the Royal Stoke and the University Hospitals of North Midlands NHS Trust to meet that cost? Given that CCGs will now have a windfall because of cancelled operations, how will he make sure that that money is reinvested in community and acute services?

Mr Dunne: As I said earlier, it is our intent to review what has happened in relation to deferred procedures this month and over the winter, and we are monitoring that on a weekly basis. We will also keep under close review what happens with individual trusts as a result of the imbalance between income and expenditure.

Philip Davies (Shipley) (Con): The Minister is a very good man and an excellent Minister, in my opinion, but what does it say about the priorities of the Government when they are allowing so many operations to be cancelled over the next few weeks, while also pouring more and more money every year into overseas aid? I say to the Government through the Minister that people are now angry about this in the country. Billions of pounds every year are being spent on overseas aid when it is so clearly needed by vulnerable people at home in the UK. Will the Government get a grip on this? They will be massively out of touch with public opinion if they do not.

Mr Dunne: Let me gently say to my hon. Friend, who is also an important champion of the hospital in his area—we had a meeting before Christmas to talk about
allocating medical places—that deferred procedures have happened at the rate of tens of thousands a quarter for very many years. What we have done differently this time is give notice to patients and hospitals that they should rearrange their schedules weeks rather than hours or days in advance.

Mr Dennis Skinner (Bolsover) (Lab): During this winter crisis, has the Minister ever stopped to think what a barmy idea it was to allow the clinical commissioning groups to close, or threaten to close, a number of community hospitals in all parts of Britain, including Bolsover and several others in Derbyshire? Will he now get to that Dispatch Box and reverse that barmy decision?

Mr Dunne: As the hon. Gentleman well knows, STP plans are being developed by local NHS leaders, clinicians and local authorities, and it is they who are making recommendations in some parts of the country for changes in the configuration of services.

Several hon. Members rose—

Mr Speaker: Order. I am sorry, but we must now move on.

Office for Students: Appointment

4.31 pm

Dawn Butler (Brent Central) (Lab) (Urgent Question): To ask the Secretary of State for Education to make a statement on the appointment of Toby Young to the board of the Office for Students.

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The Office for Students came into being on 1 January and will be operational from April. It will put quality of teaching, student choice and value for money at the heart of what it does. It will be helped in that regard by a remarkably broad and strong board bringing together a wide range of talents and backgrounds, including vice-chancellors, graduate employers and legal and regulatory experts, as well as a student representative mandated by statute. The board also brings a diversity of views: its excellent chair, Sir Michael Barber, was a senior adviser to a former Labour Prime Minister; and several of its members have declared themselves to be past or present members of the Labour party. This is clearly not a body of Conservative stooges, but one that draws on talent wherever it can be found.

The Opposition have called this debate to discuss one of the board’s 15 members, Toby Young. They would have us believe that he is not qualified or suitable to be on the board. Yes, Mr Young is not a university insider, but a board made up only of university insiders would be hard pressed to provide the scrutiny and challenge to the sector that students and taxpayers deserve. Indeed, the Higher Education and Research Act 2017 requires the Secretary of State to have regard to the desirability of the board’s members having, between them, far wider experience, including experience of promoting choice for consumers and encouraging competition. Mr Young has real experience of both as the founder of the West London Free School, and now as director of the New Schools Network, helping parents around the country to set up schools of their own. That experience will be important to a new regulator that will be charged with creating a level playing field for high-quality new providers to offer degrees alongside established universities.

At the West London Free School, which Mr Young set up, 38.5% of children receive the pupil premium, and they have done better than the national average for those on the pupil premium this year and last. A parent-governor at the school described him this week as being “committed to public education, academic excellence, and greater opportunities for kids from lower incomes”.

He has won praise for supporting diversity by making the school a safe and supportive place for LGBT+ students. He is also an eloquent advocate of free speech, a value that is intrinsic to successful universities and which the OFS has undertaken to uphold. He has served with credit on the board of the US-UK Fulbright Commission, where he has been a strong supporter of the commission’s work with the Sutton Trust to help disadvantaged young people to attend US universities. Indeed, the chair of the Fulbright Commission, Sir Nigel Sheinwald, described Mr Young as an effective, committed and energetic commissioner, saying that he had seen no evidence that any of Mr Young’s remarks had influenced him in despatching his duties as a commissioner.
The hon. Member for Brent Central (Dawn Butler) has called today’s debate to discuss tweets and remarks, some of which go back to the 1980s. These were foolish and wrong, and do not reflect the values of the Government, but I am not aware that anything Toby Young has said in the past has been found to have breached our strong discrimination laws, which are among the toughest in the world. In future, of course, he will be bound to comply with the Equality Act 2010 when performing all his functions for the Office for Students. Regardless of the legal position, it is of course right that Mr Young has apologised unreservedly to the OFS board. It is also right that he has said that he regrets the comments and given an undertaking that the kind of remarks he made in the past will not be repeated. So be in no doubt that if he or any board member were to make these kinds of inappropriate comments in the future, they would be dismissed.

As the Prime Minister said yesterday, since these comments and tweets, Mr Young has been doing “exceedingly good work” in our education system, and it is for that reason that he is well placed to make a valuable contribution to the work of the board of the Office for Students, where he will continue to do much more to support the disadvantaged than so many of his armchair critics.

Dawn Butler: It is not lost on me that I am up against one of the Johnson brothers and asking questions about one of their mates.

Mr Speaker,

“Violent, sexist and homophobic language must have no place in our society, and parliamentarians of all parties have a duty to stamp out this sort of behaviour wherever we encounter it, and condemn it in the strongest possible terms.”

Those are the words of the Secretary of State for Education and Minister for Women and Equalities, the right hon. Member for Putney (Justine Greening), and it is a shame that she is not here today—I am not quite sure what job she has at the moment. I note that the Leader of the House is with us. She chairs an excellent committee in which we talk about eradicating sexual harassment, victimisation and bullying, and changing the culture in this House. I am therefore flabbergasted by this decision, and it is beyond me how the Minister can stand up and support the appointment of Toby Young. I find it hard to comprehend the appointment; I believe that it leaves the credibility of the Office for Students in tatters.

There are three areas that need to be urgently addressed today. The first is the process. What process was followed? Was the Nolan principle, as outlined in the application, applied? Was due process followed in all cases? Who was the independent assessor—I cannot find that person’s name? Why did the Department for Education exaggerate Toby Young’s qualifications and suitability for the role? Has the Commissioner for Public Appointments approved the appointment?

The second area is suitability. Have the Department for Education’s guidelines on the seven principles of public life been upheld? Most people would laugh at that, but I will leave the Minister to respond. Toby Young’s long history of misogyny and homophobia makes a mockery of such guidelines. A man who wrote about how he went to a gay club dressed as a woman in order to molest lesbians is far from appropriate. Far from apologising, however, he has defended his actions, citing free speech. That might be free speech, but surely it also shows that he is not suitable to hold public office. Just 13 months ago, someone put a sexual harassment policy document on Toby Young’s desk. He said:

“The next bit was underlined in red felt-tip pen: ‘A joke considered amusing by one may be offensive to another.’ I found out just how true those words were when I hired a strippergram to surprise a male colleague on his birthday on what turned out to be ‘Take Our Daughters to Work Day.’”

I challenge the Minister to explain that.

The third area is merit. The Prime Minister said on the steps of No. 10 that people would be promoted on the basis of merit, not privilege. Is that still the case, or does having friends like the Johnsons override all that? There are over 800 free schools, meaning that there is a plethora of suitable people who meet the criteria to be involved in the Office for Students. Is this simply a case of jobs for the boys? The Foreign Secretary—the Minister’s brother—declared that Toby Young has caustic wit, making him the ideal man for the job, but if boasting of masturbating over pictures of dying and starving children is caustic wit, I have most definitely lost my sense of humour. Why was the Prime Minister not aware of the comments before the appointment was made?

It is not too late. If there is an apology, rather than a statement of regret, will the Minister place it in the Library along with the more than 40,000 deleted tweets?

Joseph Johnson: On the point of process, Mr Young’s appointment to the board of the Office for Students was made in line with the Commissioner for Public Appointments’ code of practice, and Mr Young was appointed following a fair and open competition. He was selected for interview based on the advertised criteria and interviewed by the same panel that interviewed all other board candidates. Sir Michael Barber, who is the chair of the Office for Students, was one of the panel members, along with a senior civil servant and an independent panel member from the higher education sector, and that panel found Mr Young to be appointable.

As for whether the Department for Education exaggerated Mr Young’s qualifications, it absolutely and categorically did not. Mr Young was a teaching fellow at Harvard and a teaching assistant at Cambridge, positions for which he received payment. The Department for Education never claimed that they were academic posts. As I have said, Mr Young is a Fulbright commissioner and co-founded the West London Free School, and that experience will be vital in encouraging new providers and ensuring that more universities are working effectively with schools.

Robert Halfon (Harlow) (Con): The Minister will know that I am a supporter of his work and of universities, but things have gone badly wrong here. I accept that Mr Young has done great work on free schools, but so have many other people. I am not talking about the things he has done on Twitter; I am more concerned about some quite dark articles in which he talks about the disabled and the working classes. Much more significantly—I have the article here—in 2015 he talked about what he calls “progressive eugenics”, which is incredibly dark and dangerous stuff. I suggest that my hon. Friend look again at the appointment, because I do not think that it will give students confidence.
Joseph Johnson: I always listen closely to what my right hon. Friend, the Chair of the Education Committee, has to say, and I will look carefully at the article he has with him. Mr Young has expressed his regret and has apologised unreservedly for comments that, in some cases, were made in the 1980s. These are often very old writings and old pieces of work. I think that it is more helpful to Members if we focus on what he does rather than what he says. He has been a champion of students and of children with disabilities in mainstream education. He has a brother with learning disabilities and is a patron of the residential care home in which his brother lives, so we should not characterise him in the crude terms that Opposition Members have used. His deeds matter much more than the terms and the tweets that he has disowned.

Several hon. Members rose—

Mr Speaker: Order. Using language slightly loosely, the Minister referred at the outset to how the shadow Minister had called this debate. On advice, I gently remind the House that this is not supposed to be a debate or, therefore, the occasion for speeches either from the Back Benches or the Front Benches; it is a time for pithy questions and answers, to which I know we will now return with enthusiasm.

Lucy Powell (Manchester Central) (Lab/Co-op) rose—

Alan Brown (Kilmarnock and Loudoun) (SNP) rose—

Mr Speaker: I call Mr Alan Brown.

Alan Brown: Happy new year, Mr Speaker.

This appointment sums up this incompetent Government. Toby Young is a Tory crony, and the Department for Education exaggerated his qualifications. He thinks teachers have it easy. He has shown prejudice against the working class. He has written several misogynistic tweets and, as we have heard, talked about masturbating to Comic Relief images of children in Africa. When that came to light, the reaction of Tory MPs, including the Foreign Secretary, was to defend him.

Young himself does not seem to care. He has not made a full apology, and he says that most of the tweets are several years old, which also seems to be the Minister’s attitude. Frankly, the Minister is putting his head in the sand. It was only two years ago that Toby Young was writing about eugenics for the working class. This House is supposed to be trying to be seen to clean up its act and Conservative Members were only too keen to call for action against the hon. Member for Sheffield, Hallam (Jared O’Mara) when his inappropriate tweets were made public, so the rank hypocrisy is absolutely stinking.

It has been suggested that Toby Young is on a yellow card, so will the Minister tell us what constitutes a red card? Will this appointment process be reviewed? What will the Government do to allay the concerns of the National Education Union, of students and of the wider general public? And when will the Government lead by example?

Joseph Johnson: I refer the hon. Gentleman to the Prime Minister’s remarks yesterday on “The Andrew Marr Show.” The Prime Minister was absolutely explicit that she expects no repetition of any of the remarks, comments or utterances that have been the subject of considerable attention over the past week. Any member of the board of the Office for Students who says such things will no longer carry on in that position, and that will be the position going forward.

Mrs Maria Miller (Basingstoke) (Con): What account did the independent appointment process take of the public views of candidates, particularly when those views might be so clearly at odds with the equality principles that the Government clearly support?

Joseph Johnson: Of course, the Office for Students is there to represent all interests in our higher education system. The Higher Education and Research Act 2017 puts an obligation on the Secretary of State to have regard to a wide range of factors in making such appointments, including that board members must reflect the broad range of higher education providers, those who experience higher education—the students—and those, such as taxpayers and businesses, who either pay for higher education or are on the receiving end of its product in the flow of graduates into the workforce. The Government are, of course, attentive to reactions to appointments to the board, and we want the board to be highly effective in delivering on the core duties of the Office for Students.

Lucy Powell rose—

Afzal Khan (Manchester, Gorton) (Lab) rose—

Mr Speaker: I call Afzal Khan.

Afzal Khan: Toby labelled Islam a “deeply misogynistic religion,” and he referred to the choice of some Muslim women to adopt the hijab as forced by male oppression. At a time when many more young British Muslim women are entering higher education, do the Government consider it appropriate to appoint such a person to the Office for Students? What is the likelihood that Toby Young will command the respect of Muslim women in higher education who wear the hijab?

Mr Speaker: The hon. Member for Manchester Central (Lucy Powell) looked almost inconsolable not to be called. It is true that I was looking in her direction at an earlier stage and might very well do so again, but it would be a pity to squander her at too early a stage of our proceedings. I am saving her up.

Joseph Johnson: In response to the question of the hon. Member for Manchester, Gorton (Afzal Khan), and to many other questions that might relate to individual tweets, articles or comments made by Mr Young over a long period of time, the answer is basically the same. Mr Young has acknowledged, and the Government have recognised, that much of what he said was foolish, wrong, offensive or obnoxious, and it is right that he has apologised and expressed regret for what he has said, written and done. It clearly does not reflect the values of the Office for Students or of the Government, but it is also important to recognise that, since he made many of those remarks, he has continued to make a valuable contribution to our education system, to the work of the Fulbright Commission and to the network
of free schools across the country, and it is for that reason that he has been appointed to the board of the Office for Students.

Several hon. Members rose—

Mr Speaker: I welcome the hon. Member for Morley and Outwood on her return from maternity leave, and let me say that it was a pleasure to attend her wedding.

Andrea Jenkyns (Morley and Outwood) (Con): Thank you very much, Mr Speaker. It was good to have you at the wedding.

Labour Members feign outrage at Mr Young’s use of social media, but perhaps they should look at the way their own Labour activists and Momentum have treated other candidates, including during the general election. I got attacked by someone called “Corbyn Chick” for being an unmarried mother—where are the family values there? Perhaps Labour Members—[Interruption.] Perhaps if they listened rather than shouted—[Interruption.] Perhaps they should look at how their own Momentum activists and Labour party activists treat other candidates on social media. Why the hypocrisy?

Joseph Johnson: My hon. Friend makes an important point about double standards, because misogynic and misogynistic attitudes are rampant on the Labour Benches, as has been acknowledged by the hon. Member for Birmingham, Yardley (Jess Phillips), who has described a persistent pattern of “low-level non-violent misogyny” at the top of the Labour party. It is important that Labour Members—[Interruption.] That is what she said. It is important that Labour Members do not apply double standards when addressing this question. [Interruption.]

Mr Speaker: Order. I just say to the shadow Transport Secretary: sir, if you were a motor car, you would go from 0 to 60 in about five seconds. It is a discernible trait that I have discerned in you over a period of years and I wish to help you with this condition. Calm yourself. Just be a little calmer. There are many, many hours to go and there are many important developments to take place. Now, after due patience having been exercised, I call Lucy Powell.

Lucy Powell (Manchester Central) (Lab/Co-op): Thank you very much, Mr Speaker.

Mr Young’s comments over the past few months and years speak for themselves, and the Government are making a gross misjudgment in now trying to defend them, but let us just take a moment to look at his record, as the Minister is so keen to talk to us about it. If he looked at the data dashboard for the West London Free School, he would find that progress 8 at that school is, in fact, average, and that its percentage of children on the pupil premium is below that for Hammersmith and Fulham and well below that for inner London. Perhaps that is why the school has only done half as much good as Mr Young does for disadvantaged students in London and across the country. The hon. Lady has questioned the record of the West London Free School, but its GCSE results for 2016 put it in the top 10% of all English schools in the country.

Dr Sarah Wollaston (Totnes) (Con): I am afraid that I feel Mr Young’s comments do cross a line and are indicative of an underlying character. We are talking about the kind of person who would tweet comments to a woman about masturbating over images of refugees—this does just cross a line. I feel that he should withdraw. When we apply for jobs, we all say whether or not there is anything in our past that could cause embarrassment. If that question was asked and it was answered “no”, there is clearly a case for the board revisiting this and asking him to step down.

Joseph Johnson: I recognise that, as I have said, many of the tweets have been obnoxious and repellent in many ways—obviously, I have not seen all 40,000 of them—but it is also important to recognise that that tweet was probably eight or nine years old, since which time Mr Young has been on something of a developmental journey. It is possible that there is a capacity for reform, and we want to encourage Mr Young to develop the best sides of his personality—those that have led to him setting up good schools and to working with disadvantaged children in London so that they can make the most of their potential. It is for those reasons that he has been appointed to the board.

Wes Streeting (Ilford North) (Lab): There is a fault line in politics, with those who want a modern democracy with people appointed on their merit rather than their mates on one side, and I am surprised that the Minister, who is meant to be a serious person, finds himself on the other side.

I ask the Minister specifically about Mr Young’s comments in the past two to three years, which the Select Committee Chairman raised, and in which Mr Young advocated what he called “progressive eugenics”—not in 2009, but in 2015. He repeated that in November 2017. The comments were removed by the Teach First website and he claimed that he had been no-platformed and censored. Does that sound like someone remorseful, who is suitable for public office? Why on earth has the Minister done this, not only to his and the Prime Minister’s credibility, but to that of the Office for Students?

Joseph Johnson: Mr Young’s work on behalf of disadvantaged and disabled students speaks for itself. He has championed inclusion in the educational institutions that he has set up. I cannot speak for the content of specific articles or tweets because, frankly, there are too many, and he has apologised for any offence he has caused, but I think that we should judge him by what he does—more so than we are currently doing.

David T. C. Davies (Monmouth) (Con): Will the Minister confirm that Toby Young has never used social media to tweet bomb threats against rival politicians, unlike one member of the Labour party, who is named in the newspapers today, and that some of the outrage is little more than an extension of the “no platform” policy used to drive anyone with a right of centre view out of the university sector?
Joseph Johnson: My hon. Friend makes an important point, the same one that was made a few moments ago, which is essentially that double standards are being applied here. Opposition Members should look at their use of social media—for example, the appalling slurs on Conservative candidates that are frequently levelled before a general election, and the deception targeted at students about the Labour party’s intentions on student fees and tuition debt. They should consider their record on social media before criticising others.

Wera Hobhouse (Bath) (LD): Does the Minister suggest that, simply because Mr Young, under pressure, has now apologised for his dark and dangerous comments, he no longer holds the views that he has held for many years?

Joseph Johnson: Mr Young has apologised, as the hon. Lady said. He has said that he regrets the comments, which suggests that he has moved on. He has also committed to not repeating those comments and accepted the reality that if he does, he will no longer be publicly appointed to the Office for Students board.

Mr Bernard Jenkin (Harwich and North Essex) (Con): The Public Administration and Constitutional Affairs Committee oversees the public appointments process and we hold the public appointments commissioner accountable for the conduct of the code. This is a timely reminder that public appointments are to be held accountable. Is my hon. Friend satisfied that the panel had the due diligence they should have had when they made their appointment? What representations has he received from any member of the panel about the appointment since it was made?

Joseph Johnson: I thank my hon. Friend for his questions. The panel was correctly composed. As I said earlier, it consisted of a senior civil servant from the Department for Education, Sir Michael Barber himself and an independent panel member. They conducted the interview with Mr Young in the same manner as they conducted interviews with other candidates and found him appointable. In respect of due diligence, one has to look at what is reasonable and proportionate for a panel to do. Neither I nor the Department were aware of the offensive tweets before the appointment was made, but there is nothing unusual about that. Many of the remarks were made years—in some cases, decades—ago and it is not reasonable or proportionate for the Government to trawl through tens of thousands of tweets over many years when making public appointments.

Laura Smith (Crewe and Nantwich) (Lab): As a woman and as the mother of a young girl, I am appalled that the Minister and the Prime Minister deem it suitable to appoint such a man to this position. He has joked about anal rape of women. He talks about women’s breasts constantly on Twitter. Will the Minister not join me in condemning this misogynistic view from someone who will be in a position of power and show all those young girls who look to the Government that it is simply not good enough?

Joseph Johnson: I agree with the sentiments the hon. Lady has expressed. Those comments and tweets are obviously obnoxious and repellent, and that is why it is right that Mr Young has apologised for them, it is right that he has expressed regret for them and it is right that he has committed not to repeat them at the risk of being immediately dismissed from the Office for Students board.

Kevin Foster (Torbay) (Con): I have been interested to hear the Minister’s answers. Can he reassure me about what evidence he took in relation to Mr Young’s current appointment as a Fulbright commissioner and what reassurances he has that some of the behaviour we have discussed this afternoon will not be repeated?

Joseph Johnson: Mr Young does important work on the Fulbright Commission. He is a commissioner and has been reappointed to that role as a result of the good work he has done. That carries on. As I said earlier, Sir Nigel Sheinwald, the chair of the Fulbright Commission, has described Mr Young as an effective, committed and energetic commissioner and seen no evidence that the historic remarks—going back many years—have influenced him in discharging his duties responsibly on behalf of disadvantaged young people. He does very good work in promoting social mobility through the Fulbright Commission’s work with the Sutton Trust and other organisations.

Stella Creasy (Walthamstow) (Lab/Co-op): The Minister asks us to judge Mr Young by what he does. As one of the many women who have had personal, repeated and recent experiences of his ability to lose friends and alienate people, I say to the Minister that an undergraduate student would know that it is not evidence enough of a change in behaviour for someone simply—when they have been caught out—to say sorry. Every educationist would say to the Minister that rewarding bad behaviour, as he is, sends a terrible message to our universities about the standards we accept. What more does Mr Young have to say before the Minister realises that he deserves to stay on Twitter, not in teaching?

Joseph Johnson: Since Mr Young made many of these comments and wrote these articles—which, in most cases, predate 2010—he has been appointed to the Fulbright Commission, he has been reappointed to the Fulbright Commission, he has been made director of a leading education charity and he has done important work setting up schools in west London that are delivering great outcomes for young people. That is what we should judge him by, not foolish and obnoxious tweets from the distant past.

Mr Philip Hollobone (Kettering) (Con): My constituents have no time for unpleasant and obscene remarks, no matter who makes them. Will the Minister ensure that all appointees to the board, including this one, have as one of their first priorities a close examination of the obscene levels of executive pay for some of the senior personnel in the higher and further education sectors, which many students regard as completely outrageous?

Joseph Johnson: My hon. Friend makes a good point, and it is a priority for the Office for Students to address the spiralling top-level and vice chancellor pay in our institutions. It featured in the regulatory framework consultation, which closed shortly before Christmas, and will be prominent in the regulatory framework when that is published later in the spring.
Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The problem is that this man thought it was okay to publicly leer at women's bodies while they were in the workplace, including tweeting repeatedly about women, about their knickers, their breasts, their boobs, their baps—on and on. What does it say to women and young girls across the country that a Minister is defending that—including when this man attacked a woman MP in this House in that way? Instead, why does not the Minister stand with women across the world who are saying to men like this that their time is up?

Joseph Johnson: The Government have condemned the tweets. Mr Young has apologised for them. Any repetition of language of that kind will not be tolerated.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): I suspect I am one of the few people in the Chamber who has been to the West London Free School. I saw there for myself the outstanding work that Toby and his team have delivered, and they have done that blind to people’s background and wealth, to the colour of their skin and to the creed that they practise. Does the Minister agree that that record deserves to be honoured and recognised? The comments were wrong, but those deeds need to be respected and they give Toby a credible platform for taking that office.

Joseph Johnson: My hon. Friend is right to laud Mr Young’s achievements at the West London Free School, where the 38.5% of children who receive the pupil premium have done better than the national average for pupils on the pupil premium in both this most recent year and the previous one. Mr Young has created an inclusive environment. A parent governor at the school described him as “committed to public education, academic excellence, and greater opportunities for kids from lower incomes.”

Dr Rupa Huq (Ealing Central and Acton) (Lab): I am usually the first to congratulate my constituents on their achievements, but even Toby Young’s Acton address cannot save him on this one. In his column in The Spectator on 9 December—not historical, but mere days before his appointment—he boasted “what a Big Swinging Dick I am.” The column was titled “The subtle art of showing off at work”. How does that and the fact that his West London Free School has gone through five headteachers in almost as many years make him qualified for this post?

Joseph Johnson: Had Opposition Members done half as much as Mr Young has to promote outcomes for disadvantaged students, they would be in a better position to disparage his achievements. Mr Young’s school has done better than the national average for its pupils on the pupil premium in both this most recent year and the last. That is something of which he can be rightly proud.

Joanna Cherry (Edinburgh South West) (SNP): The Minister is at pains to say that this appointment was Nolan-compliant. It is standard practice in modern times for employers to look carefully at the social media profile of those they appoint, particularly to public office. What due diligence was carried out? Were those who appointed Mr Young to the post aware of these obnoxious tweets? If so, what was it about him that made him so uniquely qualified for this post over those without such an obnoxious social media profile?

Joseph Johnson: As I have said, the competition through which Toby Young was appointed was rigorous, open and fair. Like all the interviews, his was conducted by a panel consisting of the three people I have mentioned. It was an apolitical and independent-minded board of panellists who deemed Toby Young worthy of appointment.

Maria Eagle (Garston and Halewood) (Lab): The Minister really is seeking to defend the indefensible. As a former Minister for Disabled People, I am appalled at some of Mr Young’s recently expressed views about the place of disabled people in our society. The Minister has said that many of Mr Young’s misogynistic tweets were from many years ago, but his views about disabled people are very recent indeed. How can the Minister appoint somebody who thinks so little of the contribution of disabled people to our society to such an important position? Does he not agree that it is indefensible?

Joseph Johnson: As I have already said, Mr Young has been a champion of the inclusion of children with disabilities in mainstream education. Not only that, but outside his work with schools, he is a patron of the residential care home in which lives his brother, who has learning disabilities of his own.

Several hon. Members rose—

Mr Speaker: Order. I am looking to end these exchanges at quarter past 5, so Members need to be very brief.

Liz McInnes (Heywood and Middleton) (Lab): The Ministers say that he condemns Toby’s Young’s past comments, but the only appropriate condemnation would be to remove him from the board of the Office for Students. Does the Minister agree that a suitable replacement would be a representative from the University and College Union, so that university staff have a voice on the board?

Joseph Johnson: No, that would not be appropriate. I take the same view that the shadow Education Secretary took with respect to the comments of the hon. Member for Sheffield, Hallam (Jared O’Mara) when she said that he deserved a second chance and that she was happy to sit alongside him because the comments happened a long time ago. In her words, “People do change their views... it is important that they recognise that and apologise and correct that behaviour.” That is what we are expecting Toby Young to do.

Steve McCabe (Birmingham, Selly Oak) (Lab): If a Minister of the Crown were guilty of making these filthy and obnoxious remarks, would the Minister expect him to resign?

Joseph Johnson: Going forward, the Nolan principles of public life will be applicable to Toby Young. He will be holding a public office, as a board member of the Office for Students. That is why it has been made very clear to him and to other board members of the Office for Students that if they make these kinds of objectionable comments and remarks they will be in breach of those principles and would not be able to continue in their positions.
Anna Soubry (Broxtowe) (Con): I wonder whether the Minister can assist Members in this way: does he think that the good people of Broxtowe are more interested in the obnoxious tweets of somebody who made those tweets many years ago but who nevertheless has an important position than they are in learning about the NHS crisis, which has affected almost everybody in this country?

Joseph Johnson: My right hon. Friend makes an important point. Labour’s priorities are curious. We have had not a word from the leadership of the party about what is going on in Iran, for example, and it is focusing instead on its feigned outrage over Toby Young. It should really focus on the priorities facing this country, not these second order ones.

Nic Dakin (Scunthorpe) (Lab): The Minister said earlier that, in appointments to this board, there was a desire to represent the broad range of higher education providers. Why did he find space for such a controversial appointment, but no space for somebody with FE experience, when so many students are in further education?

Joseph Johnson: The board is representative of a broad range of higher education providers, as it is required to be under the terms of the Higher Education and Research Act 2017. It contains a vice-chancellor of the University of the West of England; a former vice-chancellor of BPP University; the chair of council at an arts college, the Rose Bruford College; and a senior figure from an Oxford college, who happens to be the bursar. It should really focus on the priorities facing this country, not these second order ones.

Paula Sherriff (Dewsbury) (Lab): May I gently remind the Minister that abuse comes to all candidates, not just Conservative ones? I truly want to believe that this House takes allegations of sexual harassment and inappropriate behaviour in the workplace seriously, but how can I when the Minister is continuing with the appointment of this misogynist man who thinks that it is appropriate constantly to tweet about women’s breasts, anal rape and masturbating over images of starving children?

Joseph Johnson: I do not see why we should take lessons from the Labour party on these matters. Let us take, for example, the case of the shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell), who made some extraordinarily intertempate and misogynistic comments about my right hon. Friend, the Member for Tatton (Ms McVeY). They were too vile to repeat, but typical of what the hon. Member for Birmingham, Yardley (Jess Phillips) described as the persistent, “low-level, non-violent misogyny” at the top of the Labour party.

Toby Perkins (Chesterfield) (Lab): The Minister has really diminished himself over the course of the past 45 minutes, and Toby Young is really not worth ruining his own career for. Mr Young is someone who has contempt for women, contempt for disabled people, and contempt for people from deprived communities who have the effrontery to try to get into Oxford. Will the Minister do the decent thing and disown Mr Young, and see his own reputation much enhanced for doing so?

Joseph Johnson: We are going over much the same ground as in previous questions. The tweets, remarks and comments that Mr Young has made were clearly wrong. He is absolutely right to have apologised for them. Since making many of those remarks, he has continued to do good work in our educational system: he is delivering good outcomes for disadvantaged pupils at his schools in west London, and he is working hard on the Fulbright Commission. We have every expectation that he will make a valuable contribution to the work of the Office for Students.

Kevin Brennan (Cardiff West) (Lab): I think the Minister said that Mr Young was deemed appointable by the panel without knowledge of the information on his past remarks that we have been hearing about. Were any other candidates deemed appointable by the panel, but not appointed? If that is the case, could this not be revisited with a view to appointing someone who does not have these kind of indecent views?

Joseph Johnson: As I have already said, the appointment process followed by the Office for Students board and panel was conducted in accordance with the code of practice published by the Office of the Commissioner for Public Appointments. Mr Young was appointable—many people were interviewed, as this is an important body—and it was determined that he had characteristics that would enable him to acquit those responsibilities well.

Diana Johnson (Kingston upon Hull North) (Lab): It is quite clear from the Minister’s stumbling answers this afternoon that due diligence was not carried out on the appointment of this man. Does the fact that he deleted 50,000 tweets last week not worry the Minister? Does it not worry the Minister that today he has told us about decades of abusive and offensive comments made by this man? Surely this is the time to revisit the decision to appoint him.

Joseph Johnson: Mr Young’s online oeuvre is not a great loss to the world. Personally speaking, I am glad we do not have to go through it, and it is probably a good thing that it is lost to the world. Mr Young wants to move forward and to focus on the important contributions that he is making to the outcomes of disadvantaged young people in west London and elsewhere in the country. Digging up past tweets and other comments dating back to the 1980s really serves very little productive purpose.
Points of Order

5.16 pm

Mike Gapes: On a point of order, Mr Speaker. During the debate on Russian interference in UK politics on 21 December last year, I misspoke. I wrongly said that Nigel Farage had attended conferences in Russia. I have been informed that that is not true. How can I correct the record?

Mr Speaker: The hon. Gentleman has found his own salvation, and we thank him for that. Nothing further needs to be said.

Catherine West (Hornsey and Wood Green) (Lab): On a point of order, Mr Speaker. Would you please clarify whether it is appropriate for a Minister to respond to an urgent question when his brother knows personally the individual appointee who is the subject of the question? Is that in order and in line with our expectations in this Parliament?

Mr Speaker: I am very grateful to the hon. Lady for her point of order. The answer is that it is for the Government to decide who should respond to an urgent question. No impropriety has taken place. I am not myself aware of the personal relationships to which the hon. Lady refers. However, in so far as she is asking me whether there has been some breach of parliamentary protocol, the short answer is no. That may disappoint her, but it is the factual answer. She has made her point in her own way. Meanwhile, I thank all colleagues who took part in the exchanges during that urgent question; I also thank the Minister for his time and energies this afternoon. The issue has been given a very full airing.

Dr Lewis (New Forest East) (Con): On a point of order, Mr Speaker. You may remember the second time I raised as a point of order the difficulties of the Select Committee on Defence in getting the national security adviser to give us evidence in relation to the national security capability review that is currently under way. You expressed yourself in very strong terms on 27 November, when I last raised this subject. Since then, this stand-off has not made any progress, but I have discovered one thing—[Interruption.]

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. I am grateful that the NSA does speak to other Committees when it suits him, what more can I do to get him to speak to my Committee?

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order. I think I am right in saying that it is open to him to require the attendance of the said witness. It would be prudent of him to be sure in his own mind that he has the support of his Committee in making any such direction or requirement. Moreover—I am sorry that these are muddy waters—giving effect to such a requirement if it is not adhered to would very likely require the approval of the House. This is therefore a matter that can take a little time, and it is not completely straightforward or immediate in terms of effect, but it is open to the right hon. Gentleman to persist. I note what he said about previous examples of the national security adviser appearing in front of the Defence Committee rather than in front of, or in addition to, other Committees, and that is certainly a powerful argument in his arsenal.

I know that sometimes Governments are inclined to invoke the Osmotherly rules as justification for saying that one official can and another official cannot appear in front of a Committee. My response to that, on behalf of Parliament, is to say that the Osmotherly rules are very much a Government creation. This House has never endorsed or recognised the Osmotherly rules. They are, perhaps, a matter of great importance in the minds of Ministers, and in particular, I fancy, in the minds of officials; they are not important in my mind at all.

Sammy Wilson (East Antrim) (DUP): On a point of order, Mr Speaker. The House has previously discussed the remarks of Toby Young. This weekend, the MP for West Tyrone celebrated the murder of 10 Protestants at Kingsmill by dancing around a shop with a loaf on his head with the name “Kingsmill” written on it. In doing so, he has caused outrage among all decent people in Northern Ireland. Can you give me some guidance as to what action can be taken by the authorities in this House to condemn and to draw this House’s attention to the obnoxious behaviour of the MP for West Tyrone, and what action can be taken to deal with him?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. I am advised that there has been a significant number of letters about this matter to the Parliamentary Commissioner for Standards. If that be so, matters will take their course in accordance with the judgment reached by the parliamentary commissioner. More widely, though I take extremely seriously what the hon. Gentleman has said, and I share his distaste—his utter distaste—for any celebration of deaths, it is only right to point out that the Chair and the parliamentary authorities to whom he referred have locus in relation to conduct in this place. Where the alleged miscreant is someone who has not taken his or her seat in this House, I think that inevitably somewhat different considerations must apply. That said, in so far as part of the objective of the hon. Gentleman in raising his point of order was to highlight what he regarded as atrocious and unacceptable behaviour, he might be thought, and might think so himself, to have succeeded in his mission.
Taxation (Cross-border Trade) Bill

Mr Speaker: I must inform the House that I have selected the amendment in the name of the Leader of the Opposition.

5.25 pm

The Financial Secretary to the Treasury (Mel Stride): I beg to move. That the Bill be now read a Second time.

The Government have been clear that in leaving the European Union the UK will also leave its customs union, allowing us to establish and enhance our trading relationships with old allies and new friends around the world. Further to that, the Government have previously set out that in leaving the EU customs union and exercising the powers in this Bill, we will be guided by what delivers the greatest economic advantage to the United Kingdom and by three strategic objectives.

Sir William Cash (Stone) (Con): Before my right hon. Friend gets deep into his analysis, may I ask him about the expression “a customs union” in clause 31, which, according to the explanatory notes, clearly includes the EU itself? Will he be kind enough to tell me, either now or later in his speech, what the distinction is between the customs union and other kinds of customs union mentioned in clause 31?

Mel Stride: Clause 31 makes provision for this country to enter into a customs union with another territory. That territory could be the existing customs union of the European Union after we have left the European Union, or it could be another territory separate from it. As he will know, such a move would be subject to a treaty and would not be entered into until a draft statutory instrument had been laid before the House and approved under the affirmative procedure, and then subsequently approved by Her Majesty as an Order in Council.

Tom Brake (Carshalton and Wallington) (LD): The right hon. Gentleman says that he wants to do what is of “the greatest economic advantage to the United Kingdom”. Has he assessed whether staying in the customs union would be precisely that?

Mel Stride: Clause 31 makes provision for this country to enter into a customs union with another territory. That territory could be the existing customs union of the European Union after we have left the European Union, or it could be another territory separate from it. As he will know, such a move would be subject to a treaty and would not be entered into until a draft statutory instrument had been laid before the House and approved under the affirmative procedure, and then subsequently approved by Her Majesty as an Order in Council.

Mr Kenneth Clarke (Rushcliffe) (Con): I was almost reassured by what my right hon. Friend said in response to my hon. Friend for Stone (Sir William Cash). Would it not remain perfectly lawful under clause 31 to my hon. Friend the Member for Stone (Sir William Cash). W ould it not remain perfectly lawful under clause 31?

Mel Stride: As my right hon. and learned Friend will know, article 50 was invoked—the decision was taken to invoke that particular article—with the consequences that we will exit the European Union on 29 March 2019, and therefore leave the European Union customs union. However, clause 31 does indeed facilitate our future ability to enter into customs union arrangements with other customs unions or territories, subject to the express will of Parliament, as I detailed with reference to the affirmative resolution that would have to be passed by the House.

Alex Cunningham (Stockton North) (Lab): The Manufacturing Trade Remedies Alliance tells me that 7,000 manufacturing jobs, including 2,500 in the chemicals industry, will be at risk in my constituency if the UK does not establish effective trade remedies. If there is no customs union, how will the Government guarantee that manufacturing workers will not be negatively affected by unfairly priced or subsidised imports?

Mel Stride: The hon. Gentleman raises the extremely important matter of protecting our UK producers from dumped goods in this country, goods that have been subject to excessive subsidy, and indeed import surges that arise for other reasons. That is why this Bill and the Trade Bill, which will have its Second Reading tomorrow, make provision to set up a Trade Remedies Authority with the ability and powers to investigate appropriately the kinds of issues to which the hon. Gentleman alludes, and to ensure that we are able to take remedial action, in terms of additional duties and so on, to ensure that we properly address those particular threats as and when they occur.

Stephen Kinnock (Aberavon) (Lab): The Financial Secretary of course knows how close we came to the collapse of the British steel industry, thanks to the dumping of Chinese steel, but even though schedules 4 and 5 of the Bill refer to incredibly onerous public interest and economic interest tests, there is absolutely no detail of how so many of the practical aspects will work. Why do the Government seem to be set on leaving our manufacturing sector completely exposed to the dumping of Chinese steel, for example?

Mel Stride: I am afraid that I have to disagree with the hon. Gentleman. The Bill takes a balanced approach to the issue of protecting our domestic producers including, very importantly, steel producers. By “balanced approach”, I mean that we should also take into account the interests of consumers of those imported goods and businesses that use them in their processes. If the hon. Gentleman looks closely at the measures—we will do that in Committee—he will see that they provide for compensation where dumping has occurred and for appropriate sanctions to be made.

The economic advantage to the UK is very important, and that means continued UK-EU trade that is as frictionless as possible. It also means avoiding a hard border on the island of Ireland and establishing an independent international trade policy. As we look forward to the next stage of our negotiations with the
European Union, we see that the nature of our future customs relationship with the EU, and therefore the legislation that will allow the Government to give effect to any such relationship, become all the more significant.

**Damian Collins** (Folkestone and Hythe) (Con): My hon. Friend mentions the need to avoid a hard border on the island of Ireland. I know that he will also agree that we need to avoid an effective hard border on the channel crossing points, particularly the channel tunnel and the port of Dover. That is our principal road freight route for goods back and forth across the continent of Europe. It is essential that we maintain frictionless trade.

**Mel Stride**: My hon. Friend is entirely right. That is why we have consulted ports so extensively, most importantly that of Dover, which I visited myself. I met the port authorities down there, and members of Her Majesty’s Revenue and Customs, who have been closely involved in consultations with the ports. Of course, the Bill allows the facilitations that we will require—both unilateral and bilateral—to ensure that the smooth flow of trade occurs at those vital ports. It is particularly essential that we do not have any delay to the processing of imports and exports that go through roll-on/roll-off ports.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): On the specific need to keep trade frictionless, HMRC, which is part of the Minister’s Department, said that we would need an additional 5,000 customs officials. The Home Office said that it was already recruiting 300 additional staff, although I understand that they will backfill places rather than taking on additional roles. How many new customs officers are currently in training to prepare for the new customs regime in March 2019?

**Mel Stride**: The important point is that we are in discussions with HMRC about its funding—[Interruption.] If I may, I will answer the hon. Gentleman’s question. We are discussing with HMRC the funding arrangements it will need in the 2018-19 financial year. Jon Thompson has said that between 3,000 and 5,000 staff will perhaps be required. Incidentally, they need not be new recruits; they may be people who are reallocated from other parts of HMRC as we change priorities, depending on how the negotiations pan out. I am very confident that an organisation of in excess of 50,000 people will be capable of recruiting sufficient individuals of the right calibre and with the right skills to ensure that the job is done.

**John Redwood** (Wokingham) (Con): Will the Minister confirm that on our current frontiers with the rest of the EU, excise, VAT, general taxation and currency are all different on the other side of the channel or the other side of the border with the Republic of Ireland, and that that all works very smoothly and mainly electronically today? Why do people think there would be a bigger problem if we needed to add another line to the electronic register because there was a customs charge as well?

**Mel Stride**: My right hon. Friend makes a very important point. There is no doubt that we can foresee an end state in which a very frictionless process pertains on the borders between the EU27 and the United Kingdom as a separate customs territory. There are many examples around the world of technology in particular facilitating the free flow of goods across international boundaries.

**Mike Gapes** (Ilford South) (Lab/Co-op): The Minister referred to the EU’s borders. It is not only that we have a border with the Republic of Ireland, as the British overseas territories have borders. Gibraltar has a border with Spain, and Anguilla has a border with Saint Martin and Sint Maarten. Will he explain what the Bill will mean for British overseas territories?

**Mel Stride**: As the hon. Gentleman will know, the overseas territories are not part of the existing European customs union. However, they clearly need to be factored into our discussions and negotiations. We are, of course, close to our overseas territories and, indeed, our Crown dependencies, and we will ensure that the arrangements that would suit those overseas territories, as well as the United Kingdom, are taken into account when determining where we land this deal and the approach that we take.

** Sammy Wilson** (East Antrim) (DUP): Does the Minister recognise the advice given by HMRC’s permanent secretary that it believes that all of what is required is doable, and indeed that it is confident that we can have the movement of trade without significant disruption? Does he accept that if we want a frictionless border not just between Northern Ireland and southern Ireland, but between southern Ireland and its main market in the United Kingdom, it is not just a matter of this Bill and the resources being in place, because there needs to be much more co-operation than has been demonstrated so far by the Irish Government?

**Mel Stride**: I thank my hon. Friend for his intervention, but I do not want to be tempted too far into the negotiations that pertain to matters between the United Kingdom and the Republic of Ireland. However, I will pick up on the point that he and other right hon. and hon. Members have made about readiness. The customs declaration services system that will need to be in place to handle around 300 million import and export transactions and declarations is well on target. It will start to go into use by this autumn and we firmly believe that it will be up and running by next January—well in time for the 29 March deadline.

**Catherine West** (Hornsey and Wood Green) (Lab): The Minister is being very generous in taking interventions. Will he tell the House the estimated impact on the beef and dairy sectors in Northern Ireland, following today’s article in the Financial Times that flags up the massive cost to the industry that a completely new customs union system would entail?

**Mel Stride**: Any issues around impacts on the flow of goods or trade necessarily require an assessment of where exactly the deal with the EU and—specifically in the case of the hon. Lady’s question—the Republic of Ireland lands. Until we know exactly where that lands, it is not possible to start opining on those impacts. I come back to my central point: we are negotiating hard, and it is in our interests, and of course those of the EU, to make sure that we have the lowest duties possible between our trading blocs, and that trade flows as freely and effectively as possible.
Stella Creasy (Walthamstow) (Lab/Co-op): I have been asking the Minister for many months now about the impact of the 13th directive and the ability of other countries, once we are outside the EU, to vary their own VAT requirements. How can he be so confident that by next January he will be able to implement a system that looks at import and export tariffs, given that it will still be dependent on all 27 countries determining their VAT relationship with us? Does he have an agreement with them for that deadline?

Mel Stride: The 13th directive—as the hon. Lady will know—is principally used by countries and businesses outside the EU for the purposes of reclaiming VAT within the UK—will not necessarily be an issue, depending on where the negotiation lands between us and the EU. It is quite possible—and, indeed, the Bill facilitates this—that continued engagement with IT platforms will allow an easy and effective method of making the kind of claims to which the directive relates. She raises the question of whether we have to be ready by next January. If we have an implementation period, for example, we might have considerably longer to bring the process into effect.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): To clarify, is it the Government’s policy to try to remain a member of the EU VAT area? That issue matters massively to hundreds and thousands of businesses.

Mel Stride: The purpose of the Bill is to ensure that on day one we are ready for whatever eventuality we are faced with. For example, the Bill moves us away from acquisition VAT to import VAT, as would be the case—[Interruption.] The hon. Member for Nottingham East (Mr Leslie) thinks that that is some extraordinary revelation—almost a divine revelation—but it is actually something that we will find if he reads it. To get technical, if he really wants to find out where this will end up, I think it inserts new section 15 into the Value Added Tax Act 1994. All these possibilities will be facilitated, but it will depend on where the negotiation lands.

Nicky Morgan (Loughborough) (Con): I appreciate that the Minister did not even get on to the section of his speech about VAT before we started to ask him about it, but following on from the previous intervention, he will be aware that many small businesses in this country have not had to deal with import VAT, because they have been dealing with imports from the EU, and that finding upfront cash to pay for that would be a real problem for them. Will he assure the House that he is aware of that issue and the concerns of small businesses about cash flow, and that he hopes to return to this matter? As he knows, we have discussed this before, and as Chair of the Treasury Committee, I will be writing to HMRC to ensure that we understand its current thinking.

Mel Stride: My right hon. Friend, who has been a doughty campaigner for the interests of business, is absolutely right to raise this issue, with which the Government and the Treasury have sympathy. We do not want over 100,000 businesses to be disadvantaged in cash terms in the way she describes, so this is certainly something that we will be looking at closely going forward. The Bill itself does not prescribe any particular end point in this context. It will be for the Government, after the passage of the Bill, to decide exactly where we wish to end up.

Nigel Mills (Amber Valley) (Con): My right hon. Friend said that the Treasury might be inclined to be generous to businesses that had their cashflow disadvantaged by this change. Would he perhaps be less generous to large businesses that wholly disadvantage their small UK suppliers by forcing them to accept 120-day payment terms, thus effectively putting many out of business? It would be rather generous to let such businesses off earlier VAT payments on their purchases from within the EU if they were not paying their UK suppliers to a decent timetable.

Mel Stride: The issues that my hon. Friend raises are probably slightly beyond the scope of the Bill, but they are none the less important. If he would care to write to me, I should be happy to consider them, and, indeed, to meet him if he so wishes.

Richard Graham (Gloucester) (Con): My right hon. Friend is being very generous. It would help us all if he could confirm that this is really an enabling Bill, and that it therefore should not alarm those who wish to see the continuity of existing trading arrangements, or those who want significant differences. It paves the way for either scenario, depending on the negotiations in Europe.

Mel Stride: As usual, my hon. Friend is eloquent and to the point. He makes an important point because, as he says, the Bill is intended to ensure that wherever the deal with the European Union lands, we will be in a position to be ready on day one to ensure that we keep trade flowing across our frontiers, to the benefit of our economy, our businesses and our consumers.

Sir William Cash: I mention this only because of the very articulate response that my right hon. Friend gave to my hon. Friend the Member for Gloucester (Richard Graham). The Bill refers to Orders in Council, which the Financial Secretary has mentioned, and also includes the words “despite any enactment”. Could that include the European Union (Withdrawal) Bill, when it has been enacted? Could it also include any other transitional arrangements under a further enactment? The words “despite any enactment” are very dramatic.

Mel Stride: I think it is clause 32 that sets out the basis on which the powers will be dealt with. The Bill is extremely clear that any treaty between ourselves, as a customs union, and another territory or customs union must be subject to a draft affirmative statutory instrument. Having been laid, such an instrument would not come into effect immediately, but only when Parliament—or, specifically, the House of Commons—had considered and passed it. At that point, and only at that point, would an Order in Council follow, which would effectively bring the will of the House into law.

John Howell (Henley) (Con): My right hon. Friend is being very generous in giving way. An important element of what he is talking about is the business community. What consultation has taken place with businesses, and what feedback has there been?
Mel Stride: My hon. Friend raises an extremely important point. At the heart of the issues that we are discussing are British businesses of all sizes. Because we want to ensure that we have an environment that is as good as possible for those businesses, consultation has been at the heart of our approach. We produced a discussion paper last year, as well as a White Paper, to which we received responses. I know that my colleagues in Her Majesty’s Revenue and Customs have been actively engaged for many months in roundtable discussions with not just businesses, but representatives of ports and airports, and all the important actors in the process of importing and exporting into and out of the United Kingdom.

Perhaps I could now make a little progress—

Mr Kenneth Clarke: Will my right hon. Friend give way?

Mel Stride: Before I do, I give way to my right hon. and learned Friend.

Mr Clarke: I am extremely grateful to my right hon. Friend for giving way so generously, and for giving way to me twice. Let me also congratulate him on the eloquent clarity that he is bringing to this whole subject. He confirmed to my hon. Friend the Member for Gloucester (Richard Graham) that this is essentially a contingency Bill in case things change, and that it covers everything from carrying on roughly as we are now to having quite different arrangements. However, does it remain the Government’s preference that things should stay the same if the negotiations are successful? Paragraph 10 of the explanatory notes states that “it is the government’s intention that the UK’s Customs regime will continue to operate in much the same way as it does today following exit from the EU.”

Can my right hon. Friend confirm that that remains the Government’s policy intention in the context of the forthcoming negotiations?

Mel Stride: My right hon. and learned Friend raises an important point. The Government are indeed saying that we recognise the importance of ensuring that we have a smooth and frictionless trading situation between ourselves and the European Union once we have left it. Although we will have left the European Union, the Bill will facilitate our ability to have similarities in the way in which we trade. It will then be up to us to decide how we deviate from our starting point. We see the current position, under the European Union code—the customs code and the legislation in the European acquis—as a starting point to which we need to be reasonably aligned, even though we might diverge from it in the years ahead as a result of the negotiations, if that would be to the benefit of our country.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Minister has clarified that it is the Government’s intention to continue with the existing customs arrangements, and that the Bill will allow for the possibility of a continued customs union. Can he also confirm that the content of any new customs arrangements or customs union will be decided only through secondary legislation, rather than through primary legislation? Would it not be better to have a proper vote on the Floor of the House on primary legislation on whether we should stay in a customs union?

Mel Stride: The right hon. Lady poses an ingenious question. The simple answer is that the form of the arrangements with the European Union after our exit is the subject of the negotiations. The Government are committed to holding a meaningful vote on the deal. The focus will be on whether the deal is appropriate, not on secondary legislation within this legislation. This Bill is designed to facilitate whatever the will of Parliament ends up being. That is the important point.

The Government have been clear from the outset of the negotiations that, as we implement the decision of the British people to leave the EU at the end of March 2019, we want a deep and special partnership with the European Union and that, as we move towards any future relationship, we should seek to minimise disruption and maximise the opportunities that the process of withdrawal represents. That is in the interests of businesses and individuals in the UK and the EU.

Since triggering article 50, the Government have worked intensively with our European partners to settle the issues in the first phase of the negotiations—namely, a fair deal on citizens’ rights allowing UK and EU citizens to get on with their lives in the country in which they live; a financial settlement that honours the commitments that the UK has undertaken as a member of the European Union, just as we said we would; and an agreement on the island of Ireland that preserves the territorial integrity of the United Kingdom and the stability that has been brought about by the Belfast agreement. We have made great strides in each of those three areas, and I am sure that Members on both sides of the House will welcome the European Council’s agreement last month that sufficient progress had been made on phase 1 and that we should move on to talks about our future partnership.

This development in the negotiations means that we can now look forward to discussing our future customs relationship with the EU. As I reminded the House earlier, the Government have been upfront in setting out their objectives for any such arrangement. The Prime Minister has been clear that, although we are leaving the EU, and therefore its customs union, we are not leaving Europe. So just as the UK will establish an independent international trade policy and look to forge trading relationships with new partners around the world, it is also critical that our future customs arrangements allow us to keep trade between the UK and the EU member states as free and frictionless as possible.

Wes Streeting (Ilford North) (Lab): The Minister keeps on referring to the importance of free and frictionless trade with the European Union, but is it not time for the Government to be a bit clearer with the public that, through our membership of the customs union, we have preferential trade agreements with a further 65 countries right across the world? This is not just about protecting trade with the EU; we also need to protect those existing trading relationships. As far as any future trade deals are concerned, we must recognise that size matters, and that we are better and stronger as part of the European bloc.

Mel Stride: The hon. Gentleman raises an important point, and it is one that I largely agree with. It is important that we maintain the existing arrangements that we have been brought into by virtue of our membership of the European customs union, which is exactly why we are in discussions with those countries to ensure that we have appropriate arrangements in place once we
leave the EU and its customs union. Over and above that, there will be opportunities to forge trading relationships with other countries around the world, which we are prohibited from doing at present because of our membership of the EU customs union.

Alison McGovern (Wirral South) (Lab): My constituents are today dealing with the news of yet more job losses at Vauxhall in Ellesmere Port. We are a place that manufactures, and we want to keep manufacturing, so can the Minister tell me and my constituents exactly what these opportunities are?

Mel Stride: The opportunities will be very significant indeed—[Interruption.] If the hon. Lady will allow me, I will attempt to answer her question. Of course our trading relationship with Europe is extremely important, which is why we are having negotiations with our European partners. It is important to us and to them to ensure that we maintain those relationships to the highest degree. However, a growing percentage of our trade is now taking place outside the European Union—certainly more than was the case five or 10 years ago—and the expanding markets of the future are not necessarily going to be the countries that constitute the membership of the European Union. To answer the hon. Lady’s question directly, the opportunities lie out there in China, India, the United States and other countries around the world with which we will be able to forge a fairer set of trade agreements than we have been able to contemplate during our membership of the European Union.

Ian Murray (Edinburgh South) (Lab): The Minister continually uses the word “frictionless” and talks about keeping things as they are now. Indeed, the Bill will facilitate our keeping the customs union regulations as they are at the moment, so what principle are the Government using to take participation in the customs union off the table?

Mel Stride: This comes back to the fundamental point that on leaving the European Union we will be leaving the customs union. Then it will simply become a question of what kind of relationship we negotiate with the EU and its customs union. The Government’s position is clear on this. We want these arrangements to be as frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible. We want to facilitate trade rather than putting barriers in the way of what will be a frictionless as possible.

Wera Hobhouse (Bath) (LD): The Minister seemed to say previously that it might not be a great thing for the UK to leave the customs union and the single market, but that we were doing it because that was the will of the people as expressed in the referendum result. Is that the only reason that we are doing this?

Mel Stride: I apologise to the hon. Lady if I said something that in any way misled her. I do not think that I actually said that. What I said was that, as a consequence of leaving the EU, we will of necessity be leaving the customs union. Now, in the negotiations, we need to strike the best possible deal for our country—a deal that is in our interests and those of the European Union and that maintains a close, frictionless, positive and mutually beneficial relationship between ourselves and a customs union of the remaining 27 members.

Kirsty Blackman (Aberdeen North) (SNP): On the subject of the negotiations that the UK is having with countries with which it currently has free trade arrangements because it is part of the EU, and on the rules of origin issue, what discussions has the Minister had about cumulation and about whether the EU will accept UK-EU cumulation, or whether we will be required to have parts made only in the UK?

Mel Stride: As the hon. Lady will probably know, those are matters of ongoing discussion within the Department for International Trade, but this Bill and the Trade Bill, which will have its Second Reading tomorrow, are about ensuring that country-of-origin issues can be determined by ourselves under our own laws, rather than having to depend upon those of the European Union.

John Redwood: Will the Minister confirm that the European Union made it clear to the United Kingdom that we cannot stay in the customs union and single market if we will not pay contributions or accept freedom of movement?

Mel Stride: It is entirely true that we cannot have our cake and eat it—[Interruption.] I am paraphrasing the European Union, not the Government’s position. Our position has always been that we foresee a mutually advantageous trading relationship with the European Union’s customs union and, for the purposes of this afternoon’s debate, the important point is that this Bill provides and facilitates the ability to produce exactly that.

It is important to provide certainty and continuity to businesses, including the hundreds with which the Government have met and consulted since the referendum. Crucially, the Government remain firmly committed to avoiding any physical infrastructure at the land border between Ireland and Northern Ireland. That commitment and progress on the issue were formally recognised at last month’s European Council, and it will continue to inform our approach in the future.

The Government set out in their future partnership paper last summer and in the White Paper for this Bill two options for our future customs arrangements—two options that most closely meet those objectives. One is a highly streamlined customs arrangement, which comprises a number of measures to help to minimise barriers to trade, from negotiating the continuation of some existing trade facilitations to the introduction of new, technology-based solutions. The other option is a new customs partnership: an unprecedented and innovative approach under which the UK would mirror the EU’s requirements for imports from the rest of the world that are destined for the EU, removing a need for a formal customs border between the UK and the EU. The Government look forward to discussing both those options with our European partners and with businesses in both the UK and the EU as the negotiations progress.

The Government have already taken a number of important steps to ensure readiness for EU exit, including most recently at the Budget when my right hon. Friend the Chancellor of the Exchequer announced £3 billion of funding for Departments and the devolved Administrations to support their preparations. HMRC is on course to deliver a functioning customs service on day one that enables trade to flow, HMRC to collect
The Treasury has already effectively allocated over £40 million of additional funding to HMRC this year to prepare for Brexit and continues to work with HMRC to understand its ongoing Brexit requirements. The Taxation (Cross-border Trade) Bill represents a significant part of our preparations.

Mr Leslie: I am grateful to the Minister for giving way. I sense that he is coming to a conclusion, so I want to get this particular question in. The programme motion specifies when he and the Government want the Bill to come back for Report and Third Reading, but how many sittings does the Minister intend the Bill to have in Committee? Many hon. Members would have expected a Committee of the whole House, but that does not appear to be the case and the Committee stage will happen upstairs. Will he guarantee that significant time will be available in Committee for those lucky Members to scrutinise this legislation properly?

Mel Stride: I will make two points. First, as the hon. Gentleman will know, such matters are for the usual channels, and his party is an important part of the usual channels. Secondly, the Bill will of course receive the normal high level of scrutiny as it passes through the House—line by line, clause by clause. Amendments can be tabled, debated and divided on if necessary. The Bill will then come back to the House on Report and for Third Reading. If he has any particular representations to make about the number of sittings in Committee, he should perhaps speak to his Whips, who can then speak to our Whips, and I am sure that we will all end up in a happy place on the issue he has raised.

Stephen Doughty: The Minister is being generous, as he always is. Having been opposing Whips at various points on various financial matters, I know that he always does these things in good faith, but I share the concern of my hon. Friend the Member for Nottingham East (Mr Leslie). Both Front-Bench teams are currently tied up with the Finance Bill that is going through—an important piece of legislation that we quite rightly oppose many parts of. Given that, we will not be able to start the scrutiny of this Bill in Committee for quite some time, and the Bill is due to be out of Committee by 1 February. The Bill will not receive full scrutiny in the House of Lords because this is a money Bill, so will the Minister tell us how many Committee sittings there will be to scrutinise a large, substantial and important Bill?

Mel Stride: The hon. Gentleman is being typically tenacious, but he asks the same question as the hon. Member for Nottingham East and he will have the same answer. I will spare the House my eloquence by not going through, once again, the same answer that I just gave.

Vicky Ford (Chelmsford) (Con): I thank the Minister for giving way and for drawing attention to the “Future customs arrangements” paper that came out in the summer and the two potential solutions: the highly streamlined option or the new customs partnership. Will he confirm that the Government are still open minded about both options and that this Government’s priority is to maximise stability and minimise uncertainty not only for British consumers buying products from the continent, but for continental suppliers trying to sell to us and vice versa?

Mel Stride: My hon. Friend is absolutely right that the Government’s position is that we are determined to explore both models actively. The new partnership model would be a creative and unique approach to a customs union with the European Union in which we would effectively have a common customs border and no customs border between ourselves and the other EU member states. Its very uniqueness and the creative thinking needed to reach any such agreement means that it would probably happen on a longer timeframe than some of the other approaches that we will be taking, but I can confirm that we want to continue to discuss both options with our European partners.

The Bill allows the UK to establish a new, standalone customs regime, ensuring that VAT and excise legislation operates as required upon EU exit. The Bill makes a number of provisions that are absolutely essential for any future customs regime to function effectively regardless of the outcome of the negotiations. Those provisions include allowing the UK to charge customs duty on goods, including those imported from the EU, allowing the Government to set out how and in what form customs declarations should be made, and giving the UK the freedom to vary the rates of import duty as necessary, particularly in the case of trade remedies investigations and for developing countries. Moreover, it will confer a number of necessary and appropriate powers to allow the UK to respond effectively to the outcome of the negotiations, and it will give the Government the ability to make subsequent changes to the customs, VAT and excise regimes, which may be required later but cannot be predicted as this stage.

As I have set out today, the Government recognise the importance of providing certainty and continuity to businesses, so this Bill will allow the Government to make good on their intention to replicate the effect of existing EU law wherever possible as the UK leaves the EU. I look forward to debating the provisions and the underlying issues as the Bill makes its way through this House. The Bill takes significant steps to ensure that the UK is ready for EU withdrawal by allowing our country to establish a standalone customs regime and by ensuring that our VAT and excise legislation operates as required upon exit day. As we begin discussions with the EU on our future partnership, the Bill ensures that we can do so with the utmost confidence, securing our ability to deliver a robust, efficient, effective customs regime whatever deal is struck with our European partners. As such, the Bill underpins our great country’s ability to pursue its own trade deals with partners from right across the world, and I commend it to the House.
not accompanied by proposals to ensure that Her Majesty’s Revenue and Customs are properly resourced and organised to implement a new customs and VAT regime, because the needs of UK manufacturers and producers have not been properly reflected in the design of the proposals and because the Bill proposes to give excessive powers to Ministers without appropriate procedures for parliamentary consultation and scrutiny.

Here we are at the start of another year, and it feels much the same as the last one—the same old empty Bills, long on rhetoric and short on detail. Yet always the Government’s default position is a fresh set of powers for Ministers, which is the one fixed point in a changing world. This Government seem to be taking back more control from Parliament as each day passes.

The Bill ostensibly sets out to create a functioning customs framework for the United Kingdom once we leave the European Union—hope springs eternal. We accept that such an arrangement is necessary, regardless of the UK’s future relationship with the EU or, indeed, the nature of its wider trading relationship, yet once again we have been denied any detail in the Bill itself, as hon. Members have identified. There is nothing to guarantee frictionless trade through the UK’s ports from the moment of exit, no measures properly to resource Her Majesty’s Revenue and Customs for the task and nowhere near sufficient detail on the powers and provisions of the Trade Remedies Authority that will be charged with ensuring that our vital British industries are protected. Only yesterday we saw the potentially disastrous consequences of that lack of detail, with reports on the likely result of the Government’s failure to address the EU VAT area for thousands of businesses.

In short, instead of setting up a stable customs framework, this Bill provides few of the policy or indeed, practical considerations required for the task of leaving the European Union.

Richard Graham: It seems rather curious to criticise the Government for denying any detail while we are in the middle of a negotiation. How could the hon. Gentleman expect any Government to guarantee anything until that negotiation is complete?

Peter Dowd: This Government have guaranteed absolutely nothing whatsoever. Time after time, they hide behind the veil of negotiation.

Before addressing the Bill’s specific failures in meeting the Government’s objectives, I will raise the issue of the powers created by this Bill that enable Ministers to do whatever they want. The leave campaign’s central message, the one repeated time and again and printed across its campaign literature, was that leaving the European Union would allow the Parliaments and Assemblies of the UK to “take back control” of our law making. And yet again, every piece of legislation published by the Government relating to our exit creates more powers for Ministers, while ignoring Parliament completely. Parliament is in a persistent state of having its head patted—that is as much as Parliament is getting at the moment.

Sammy Wilson: Given where we are in the negotiations, does the hon. Gentleman accept that a Bill that allows either for no deal or for complete mirroring of the current arrangements and all possibilities in between is the best Bill we could possibly have?

Peter Dowd: The hon. Gentleman would have a point, but the Government’s record so far is to try to duck every question we ask of them. They constantly hide behind the negotiations.

Several hon. Members rose—

Peter Dowd: Lots of people want to speak, so I will move on and come back in a minute.

We now have a Government who are prepared to change the law to give themselves a majority on Public Bill Committees—that is where we are. They are prepared to ignore votes of the House on Opposition day motions, and they are now prepared to undertake the greatest centralisation of powers that Parliament has seen since the war.

Angela Smith (Penistone and Stocksbridge) (Lab): Does my hon. Friend agree that the programme motion needs to be more detailed and needs to make it clear that we will have proper scrutiny in Committee, with more sittings than currently appear to be on offer from the Government?

Peter Dowd: We will get as much scrutiny as possible on this Bill.

Having completely failed to create a strong and stable Government at the last election, the Prime Minister seems to be ignoring the will of the electorate and grabbing power by any means necessary. That is particularly the case with this Bill, where Ministers are being handed powers to set import and export duties, preferential rates and quotas across any good or service sector in our economy. This Bill will give the Government the power fundamentally to reshape the environment in which our economy operates with a few strokes of a pen.

Alex Cunningham: As my hon. Friend says, it is critical that Parliament has a say. CF Fertilisers on Teesside is worried about the dumping of cheap goods, particularly from Russia, if we do not get the anti-dumping legislation right. The Minister says that will be addressed by this Bill and by the Trade Bill, which will have its Second Reading tomorrow, but I cannot see anything that says so. Does my hon. Friend agree that that is all the more reason why we need much more time in Committee to ensure that such guards are put in place?

Peter Dowd: My hon. Friend makes a good point that we need to have absolute scrutiny of the Government’s proposals.

We know what the Government would do with the powers contained in this Bill. They would tear up protections for British producers and consumers, throw workers’ rights on to the bonfire and create a free-market offshore tax haven—a miserable pound-shop economy. The Government know the price of everything and the value of nothing.

The Government do not have the authority to act in that way. The referendum and the recent election show a country divided, and it is Parliament’s job to reflect the country’s will and to develop a workable consensus. This Government, much like the disastrous Major Administration, have no mandate to implement such far-reaching changes, which is why the Labour party’s reasoned amendment would deny the Bill a Second Reading.
We demand that the Government return with a Bill that sets out a clear path to our mutual objective of creating a functioning institutional framework for the handling of customs once we leave the European Union, one that provides the proper powers of scrutiny to Parliament, as promised by the leave campaign and as determined by the citizens of the UK in the recent election. Anything less is an affront to our democratic process and will only spell disaster for our country as this weak Prime Minister becomes prey to the worst instincts of many Conservative Members.

Mr Leslie: My hon. Friend spoke earlier about how many tens of thousands of businesses could end up with severe cash-flow problems if we leave the EU VAT area. Will he confirm that the Labour party’s policy is to try to continue participating within the EU VAT area?

Peter Dowd: I am happy to have a conversation with my hon. Friend outside the Chamber, but this is about the Government’s policy, not ours.

HMRC resourcing is another issue that we have to address. Everyone in this House agrees that we must avoid the nightmare scenario of gridlock at UK ports, with lorry queues stretching as far as the eye can see, yet the Government continue to do Brexit on the cheap with their refusal to fully fund and resource HMRC. Its staffing levels have been cut by 17% since 2010, and they are set to be cut further this year as it plans to close 137 offices across the country. The Minister must recognise the urgent need to hire and train more customs officers and HMRC staff, particularly if the Government are to meet their over-ambitious target of a fully operational customs system by 2019.

Although the Treasury is keen to tout technology as its magic solution to customs post Brexit, Ministers have failed to offer specifics on what a new customs system will look like and on whether it will even be ready in time. At the same time, there remains huge underlying questions about whether the current customs declaration service programme can deal with the sheer workload and pressure post Brexit.

A new IT system is no substitute for a fully resourced and staffed HMRC. Even with a transitional arrangement with the EU, the Treasury must recognise the urgent need to increase HMRC’s budget and staff, which is why the Opposition will attempt to amend the Bill to require Ministers to report back to Parliament on HMRC staffing levels and on the progress on testing and implementing these new systems.

Rachel Maclean (Redditch) (Con): Does the hon. Gentleman recognise that HMRC has been given all the funding it has asked for to be ready for Brexit? Does he recognise that the Treasury has set aside a total of £3 billion, that £400 million has gone to HMRC, that the negotiations are under way and that it will be given what it asks for to be ready on Brexit day?

Peter Dowd: There is no one in training and the staff on the ground take a completely different view from the hon. Lady.

The Bill outlines the trade remedies the Government will enforce against the dumping of unfairly priced goods. At the moment, these remedies are provided by the EU, but on leaving, the UK will have to enact and manage its own trade remedies. These measures are spread across this Bill and the Trade Bill and are of great importance to UK manufacturers. As I have said at this Dispatch Box on previous occasions, the Opposition will oppose any attempt by this Government to undermine UK manufacturing and jobs by the weakening of trade remedies, as well as any attempt to dismantle unilaterally the external tariff and open up UK markets to unfairly priced goods. This is a question not of protectionism, but of fairness and the rule of law, as countries that allow or encourage state dumping are not playing by international rules.

The manufacturing industry remains an indispensable part of the UK economy. According to the Office for National Statistics, manufacturing accounted for 2.3 million jobs in 2016 and 10% of the UK’s total economic output. These jobs are shared out across the minerals and ceramics, paper, steel, glass, chemical and fertiliser sectors. They are also spread across communities across the country, where manufacturing remains one of the largest employers. In my constituency alone, more than 2,500 people are employed in manufacturing, and the same will be true of the constituencies of many Members here today.

The trade remedies proposed in this Bill are pitiful to say the least. They are far weaker than the remedies currently in place in the EU and are weaker than those in most developed trading nations, and if they remain unchanged, they will put manufacturing jobs at risk.

Stephen Kinnock: I am sure my hon. Friend will have paid to the myth that existed that we could not take trade remedies on certain steel products that affected steel in my constituency. Does he agree that it is necessary to put paid to the myth that existed that we could not take trade remedies when we were part of the EU? Indeed, the former Steel Minister who is sitting opposite, the right hon. Member for Broxtowe (Anna Soubry), took a good decision, for which I praised her at the time, to introduce remedies on certain steel products that affected steel in my constituency. Whether these decisions are taken or not is a political choice; it is not about whether we can do this or not under the EU.

Peter Dowd: My hon. Friend is absolutely right on that point.

What is concerning is the fact that UK manufacturers and key industries have not been consulted on the trade remedies in the Bill. Perhaps the Minister can explain why, if the Prime Minister is happy to meet representatives from Toyota to agree a deal and the Environment Secretary is in regular contact with the National Farmers Union on future agricultural subsidies, he has failed to consult an industry that represents nearly 10% of the economy and employs millions on the trade remedies it needs to protect UK jobs.

Stephen Kinnock: I am sure my hon. Friend will have seen the letter in the Financial Times from the chief executive officers of the British steel, paper, ceramics, minerals and chemicals associations, along with their trade union counterparts, which puts this very well: they are deeply critical of the Bill, saying it does not do anything like what is required on trade defence and making it absolutely clear that the UK’s manufacturing base and tens of thousands of jobs around the country will be at risk if Parliament gets this Bill wrong.
Peter Dowd: My hon. Friend is absolutely right on that point, and on that issue the Government just are not listening—it is as simple as that.

As I was saying, I have no doubt that if the Minister had consulted, he would have been told by industry professionals in no uncertain terms to tear up this Bill and start again. It offers no legal certainty for UK manufacturers. Schedule 4, in particular, has little detail on how investigations will be conducted or on how calculations and remedies will be applied. In addition, a mandatory lesser duty rule is completely out of step with the direction the EU is heading in and with the majority of countries in the World Trade Organisation.

The economic interest test outlined in the Bill is of particular concern, as not only is it unique to most WTO countries, but it appears to be tipped towards the consumer and against the producer; it is absolutely out of balance. It is far too wide and gives unprecedented powers to a Secretary of State for International Trade who has already advocated lowering food standards and weakening workers’ rights. The Bill does not state the duration of the remedies that would be in place, whereas the EU currently stipulates five years. Nor is the Bill clear about the rolling over of specific EU trade remedies that are set to expire and that must be replaced by the Secretary of State or whole sectors would be left vulnerable. Those are just a few of the concerns that the Opposition have with the trade remedies outlined in the Bill, and we will raise them further and seek to amend them in Committee.

As I mentioned, the Opposition recognise the need for effective customs and tariff arrangements, which will guarantee the frictionless movement of goods at UK ports. The ability to levy customs duty and VAT as well as to protect manufacturing and key industries when the UK leaves the EU is also important—

Angela Smith: I feel that it is very necessary to ask this question, given that a majority of Labour Members are in favour of staying in the custom union: can our Front-Bench team confirm whether or not they are in favour of staying in the customs union?

Peter Dowd: My hon. Friend knows that that matter has been debated on many occasions, and I am not going to go there.

The trade remedies outlined in the Bill are woeful and will not protect UK manufacturing and jobs. Similarly, the Government have failed to provide any clear indication alongside the Bill that they will properly fund and staff HMRC to make sure it can effectively manage our customs and tariff regime post Brexit. This is yet another poorly drafted Bill from an increasingly chaotic and divided Government, who seek to award themselves unprecedented power and shield themselves from any parliamentary scrutiny. That is why I urge colleagues from across the House to support our reasoned amendment.

6.27 pm

David Morris (Morecambe and Lunesdale) (Con): I really wanted to contribute to today’s debate because my local port of Heysham will be directly affected by the outcomes of what we are discussing today.

I went to see the port not so long ago to talk about how we best facilitate the trade coming through it. I met the port authorities and the chief executive of Seatruck Ferries, Alistair Eagles, who envisaged that, given the way things are looking, there would be no problem with trade from Northern Ireland coming into the port of Heysham and the rest of the UK. There was one thing that concerned me around that time: press reports of a “Dad’s Army” of customs officers being recruited. Such reports were completely unfounded and erroneous, because we know now that customs officers are being recruited. The main point I looked into was the fact we could get our trade from Northern Ireland moving through the port of Heysham seamlessly, as happens now. It was agreed at the time that that could carry on, so I am glad to report to the Chamber that, judging by what I found out and the experiences of how the port is working, we do not envisage a problem.

Sammy Wilson: Does the hon. Gentleman accept that we on the Northern Ireland side also welcome the fact that the Government have made it clear that trade between Northern Ireland and the rest of the UK will not be interrupted in any way as a result of leaving the EU? Indeed, despite what has been said in this House time and time again, the Government have put forward very positive proposals as to how that frictionless trade can be conducted.

David Morris: I could not have put that any better—I agree with everything the hon. Gentleman said.

I will give just one taste of how trade works in my area. We are the first port of call—excuse the pun—for Northern Ireland. I hope that the hon. Member for North Antrim (Ian Paisley) and I are going on a little project on a Wrightbus—known as the Boris bus—from his constituency through the port of Heysham all the way down to London to demonstrate exactly how trade works within the UK and how it will flourish under the Bill.

Ian Paisley (North Antrim) (DUP): I thank the hon. Gentleman for enlightening the House on that point. As he knows, that bus is in itself a great expression of how trade works within these islands. People from the constituency of my hon. Friend the Member for East Antrim (Sammy Wilson) work in a factory in my constituency, which draws on skills from across the whole United Kingdom, whether the tarmac manufacturers in Scotland, the electronics manufacturers in Manchester or the window developers for buses. All those skills are put into one product, which is seen every day on the streets of London, Manchester and other parts of the UK. It is a good example of how trade works practically, putting people into employment. I welcome the project that the hon. Gentleman suggested.

David Morris: The hon. Gentleman explains succinctly that the supply chain that makes the buses is immense in his constituency and in the wider UK. That is why trade must flourish between Northern Ireland, the United Kingdom and Europe.

It is a fact that we will leave the EU, and it is best to think about how we do it. The Bill covers the initial stages of facilitating that.
Mr Alister Jack (Dumfries and Galloway) (Con): My hon. Friend is generous in giving way. I am sure that he agrees that, given that southern Ireland does 80% of its trade with or through the United Kingdom, it is also in Ireland’s interest that that carries on seamlessly. Like my hon. Friend, I have a port—Cairnryan—in my constituency, and if any of the buses are too much for others to handle, I would love them to be sent my way.

David Morris: I thank my hon. Friend for his intervention, which brings me nicely to my next point. I have to be careful what I say because I am still Parliamentary Private Secretary to the Secretary of State for Northern Ireland. I put it on record that I wish him well. He has not just been an excellent boss; he is a more than excellent friend. I welcome the new Secretary of State, whose name has just been announced: my right hon. Friend the Member for Staffordshire Moorlands (Karen Bradley).

We have a free trade border between Ireland and Northern Ireland, and we have had it since the 1920s. Two currencies operate in the area, and there is not a problem. To be grown up about the situation, there is no reason why that should not carry on. However, I urge all Members to think of the benefits that can arise from our leaving the EU. Gibraltar has been mentioned. Since Brexit was announced, Gibraltar has increased its trade by 25%, and there does not seem to be a problem with borders that it is not already experiencing. It is therefore in the interests of not just the UK but the EU that we continue with the frictionless borders and frictionless trade tariffs. That is the grown-up view.

I urge hon. Members to allow the Bill to go forward. I will vote for it this evening and I urge Ministers to heed what I have said, even though it is about a microcosm of the UK, and ensure that we get the best deal for the UK within Europe.

6.33 pm

Kirsty Blackman (Aberdeen North) (SNP): I am grateful for the opportunity to speak on the Taxation (Cross-border Trade) Bill, which I will call the customs Bill for ease during my speech. I am particularly delighted that we are considering it at the same time as the Finance Bill—that is excellent. I am not sure whether Hansard can capture my sarcasm there.

Is the Minister as concerned as I am about the issues that so many different organisations have raised? Perhaps the Minister and the teams in Her Majesty’s Revenue and Customs have been meeting the organisations that are raising concerns, but I do not think that they have been listening. Part of the problem for me is the wide range of organisations that are raising a wide range of issues. As many hon. Members have said, they include UK Steel, the Manufacturing Trade Remedies Alliance, the British Ceramic Confederation, the GMB and the TUC, but also the British Chambers of Commerce, the British Retail Consortium and the Law Society of Scotland. All those organisations have raised issues, which are not all specifically about trade remedies. There are therefore several problems with the Bill, not just with one aspect but across the measure.

The Bill has 166 pages and creates so many delegated authorities that the Government have had to produce an 174-page document detailing them. The majority relate to the negative procedure, though some relate to the affirmative procedure. In four instances, the UK Government create Henry VIII powers—the power to amend or repeal an Act of Parliament—which are particularly concerning. We have consistently raised concerns about Henry VIII powers, and we will continue to do that. The Chartered Institute of Taxation said:

“The Bill will, we understand, have the powers to amend primary legislation using secondary legislation; raising similar concerns around delegated powers as with the EU (Withdrawal) Bill.”

UK Steel said that “key aspects of the UK’s trade legislation will evade proper parliamentary scrutiny”. It is a major concern when UK Steel, a trade body that represents important manufacturers, makes such comments.

The number of organisations that are raising concerns is worrying for Members, as is the fact that so much of the Bill will dodge proper parliamentary scrutiny. Those who supported Brexit as a means to strengthen parliamentary sovereignty are being incredibly badly served yet again by the UK Government. Sovereignty for the Government is very different from sovereignty for Parliament. I urge the Minister to read the Law Society of Scotland briefing on the Bill. It suggests several amendments, and much of its concern is about the lack of requirement for Ministers to consult when making secondary legislation.

Stephen Kerr (Stirling) (Con): The hon. Lady has mentioned at least twice the Law Society of Scotland briefing document, which I have in my hand. It is a very useful and positive contribution to informing Members of all parties about the Bill. I will quote from it so that we are all clear about the context. In its general remarks, the Law Society of Scotland says:

“We recognise the necessity for this Bill”.

That conclusively states that the Bill is a necessity. Does the hon. Lady accept that?

Kirsty Blackman: Because the UK Government decided that we are leaving the customs union and we will therefore need our own customs procedures, it is sensible, given that it was an entirely EU competence, for the UK to create its own customs framework. However, if the UK Government had done what we suggested and remained part of the customs union, the Bill would not be necessary. Although the Law Society of Scotland says that the Bill is necessary because of the decisions of the UK Government, it raises several concerns. I ask the Minister to read the briefing, which suggests a number of amendments, particularly on consultation.

Hannah Bardell (Livingston) (SNP): Further to the point made by the hon. Member for Stirling (Stephen Kerr), has my hon. Friend seen the briefing from the Manufacturing Trade Remedies Alliance? It says:

“These proposals are much weaker than we have in the EU (and also weaker than those of most other Trading Nations). Weaker remedies cost jobs.”

Just because we have legislation—and bad legislation—it does not make what is happening a good thing.

Kirsty Blackman: I absolutely agree with my hon. Friend, who speaks for us on international trade. She is right about trade remedies and I will come on to that specific point later.
Although the Bill is general, it is also wide ranging. I want to consider some of the issues relating to HMRC that the Minister mentioned earlier. The new CDS software is set to replace CHIEF—customs handling of import and export freight—the current system, in 12 short months. The Public Accounts Committee report in November stated:

“It would be catastrophic if HMRC’s new customs system, the Customs Declaration System (CDS), is not ready in time and if there is no viable fall-back option.”

It expects the number of customs declarations that HMRC must process each year to increase fivefold. Every time I and other hon. Members have questioned the Minister about this, he has been particularly blasé and unflustered about the tight timetable. The PAC also said that HMRC’s timetable is incredibly tight, given the amount of work still to do. HMRC will only know by July 2018 whether the system works as intended—I am surprised that HMRC will only know by July 2018, but the Minister thinks it will all be fine—which is only one month before the first traders start to use it, and gives very little time to take remedial action if anything goes wrong.

It is vital for our exporting businesses that the customs software works. We have consistently raised concerns about this and we will continue to do so. I appreciate that the Minister is nodding, but we will keep the pressure on to ensure that it happens.

Hannah Bardell: My hon. Friend is making an excellent speech. How much faith does she have in the Government and the implementation of the software programme, given the disaster they are having with the change programme and the closure of HMRC offices?

Kirsty Blackman: UK businesses have several questions about the capacity of HMRC to deal with the volume of customs declarations, and many businesses will have to make customs declarations for the first time. Businesses are already concerned about the loss of the HMRC hotline that they could previously access. One business contacted HMRC with a query and received a reply seven months later. Seven months is not an appropriate timescale. If HMRC cannot respond to complaints and questions timely now, how will it do so in the future after a fivefold increase in the need for customs declarations?

In a post-Brexit scenario, businesses will—in an incredibly short timescale and whether we have a trade deal or not—have to come to terms with new customs software. They will also have to come to terms with a new system of customs duties, ways to export and other massive changes. That means an incredible amount of uncertainty. When drafting the Bill, the Government could have been clearer about how the new customs system would work, therefore getting rid of a level of uncertainty. I know that they do not yet have a trade deal, but if they had been able to implement the software earlier or be clearer about how the processes will work, it would have been better for businesses.

Broadly speaking, businesses have been in favour of the replication of the Union customs code in the future. I mentioned the issue of rules of origin, and the Minister also referred to it earlier. There is a major problem with those rules. The Minister said that they should be determined by the UK Government in negotiation. As a side note, the current UCC, at 61.3, contains options for declaring origin. That does not appear to have been replicated in the primary legislation, and the British Chambers of Commerce, on behalf of its members, want to see certainty for the future on that matter.

Major problems are brewing on rules of origin, especially the duration of any transition agreement that the UK Government strike. At the very least, the Government need to negotiate interim free trade agreements with countries that the EU currently has FTAs with. Many of those trade deals allow UK companies to export because of the recognition of cumulation with EU content. For example, the trade deal that the EU has with South Korea, for example, says that “a car will be originating in the EU if no more than 45% of the value of the inputs have been imported from outside Korea or the EU to manufacture it.”

So if the UK—in this brilliant scenario with its amazing negotiating team—manages to convince Korea, at least temporarily, to replicate the trade deal that it has with the EU, changing all references to “EU” to “UK”, for example, that will be all well and good, but it will not solve the issue of cumulation for many of our businesses. Take for example a widget that is created in the UK. It may have many parts from other EU countries. It may have 60% EU content, which it needs in order to be exported to South Korea. However, it may not have 60% UK content. Under the previous rules of origin system that we had as part of the EU, that worked fine and the widget could be exported to Korea. But if Korea says that it wants the widget to have 60% UK content, it will be a major issue for businesses which will no longer be able to export those widgets.

Eddie Hughes (Walsall North) (Con): I am afraid that I am not very familiar with our trade level with South Korea. I wonder whether the hon. Lady has picked a particularly obscure example to demonstrate her point, rather than looking at the countries we will do substantial trade with in the future. I hope that I will be able to get some more information on that point.

Kirsty Blackman: I picked South Korea and car manufacturing because the percentage is particularly high. However, many other areas of trade and exports have percentage requirements. Because we have not needed rules of origin for products from the UK—we have been able to add all the EU content—it has not been a consideration for businesses. They have been able to export if they can prove that a certain percentage is from the EU. It is an issue not only for the trade deal with Korea, but for all sorts of trade deals that the UK has because it is part of the EU. The concern is not that we will not be able to do new trading, but that our current trading will become a major issue as of March 2019, if we do not get the appropriate rollover and grandfathering in place.

Joanna Cherry (Edinburgh South West) (SNP): Perhaps my hon. Friend will join me in correcting the hon. Member for Walsall North (Eddie Hughes), as South Korea is very important for Scottish trade. As a result of the EU-negotiated deal, whisky goes to South Korea on a 0% tariff. The former chief executive of the Scottish Whisky Association has expressed the view that without the heft of the EU, Scottish whisky—the UK’s biggest export—would not have had the benefit of that deal.
Kirsty Blackman: I appreciate that information.

There are so many technical issues that will have a major impact on jobs and manufacturing in the UK. When I have asked the Government about this, the answers I received were pretty fluffy. I have asked about cumulation—mainly outside the Chamber—as it is a major issue that the UK Government have not taken seriously enough. It has been raised especially by the Society of Motor Manufacturers and Traders. If hon. Members look at how many times cumulation has been mentioned in the Chamber, they will find that it is very few.

Vicky Ford: I thank the hon. Lady for mentioning the incredibly important matter of cumulation. It is by cumulation that a British car that has components from other parts of Europe manages to be sold to third countries under existing agreements. My recollection is that the Minister said that the Department for International Trade would look to continue having agreement on cumulation, and that the Bill will give it the legal tools to continue such negotiations. Does the hon. Lady agree that the Bill is necessary as an enabling package to allow us to have a customs relationship with Europe and other parts of the world in the future?

Kirsty Blackman: I think that we should remain in the customs union and the single market, because then we would not have any of these issues. I appreciate that the Minister says that the Government are looking at this, but I am trying to make it clear how important this matter is, and I hope that I have been able to do that in my discussion of cumulation.

Richard Graham: The hon. and learned Member for Edinburgh South West (Joanna Cherry) raised the importance of the EU FTA deal with South Korea—indeed, it adds some £2 billion to our exports every year—but the interesting question is why the EU has been able to make free trade agreements only with South Korea and Vietnam. What about the rest of Asia? Does the SNP believe that sufficient progress has been made in expanding our trade, especially in Scottish whisky, across the whole of Asia, or could the process have been made in expanding our trade, especially in Scottish whisky, across the whole of Asia?

Kirsty Blackman: There are EU FTAs with many countries and we trade through them. Because the EU has such a large market, it is able to strike much better free trade agreements than the UK Government will be able to strike for their much smaller market. That is just the reality.

On the capacity of HMRC, I also want to talk about the issue of authorised economic operators, which was mentioned a lot in the customs White Paper. Relying on the AEO system causes a bit of a problem, as the UK is just not that good at either promoting or administering it. Some of the rules applied by HMRC are nearly impossible for many of the smaller operators to meet, such as the requirement we have heard about that the person who is in charge of customs in organisations has three years of customs experience. Some of our businesses have been trading exclusively with the EU, so they cannot meet that requirement very easily. HMRC must look at this as a matter of priority, and particularly consider the situation in Austria, where it takes less than three months for an initial AEO application to go through. Germany has increased the number of authorised economic operators incredibly successfully. The UK Government could benefit from looking at those countries when they consider making changes. It is not about making the regime slacker and enabling more people to jump through the hoops for AEOs; it is about making the process of applying for and getting AEO certification more accessible and streamlined. I know the UK Government have had representations on this matter, and I urge Ministers to consider them and act as soon as they can. We need to get the system in place as soon as possible so that companies can register and receive the certification to become AEOs in advance of the exit date.

As we heard earlier, there is also an HMRC capacity and streamlining problem in the area of VAT. That was also raised in the media recently in the context of the British Retail Consortium’s concerns. The changes to the VAT regime could create major cash-flow problems for businesses, and they might have to restructure or take on burdensome new cash-flow loans. The BRC says that there is no impact assessment produced by the Treasury about the costs of these measures in terms of additional compliance burdens for business, nor about what the costs of HMRC collecting and refunding these upfront costs would be. It seems that there is a real problem and that the required VAT changes have been pretty badly thought through.

I also want to raise the issue of virtual free trade zones. The Bill contemplates only physical free trade zones, but a virtual zone would allow businesses along the supply chain to benefit from simplifications and facilitations without having to incur the time and expense of individual applications, such as with inward processing relief. The British Chambers of Commerce has requested that the Treasury consider the possibility of including virtual free trade zones in its powers relating to designated free zones.

In the context of HMRC, I also want to mention import VAT on gifts from the EU, which I have spoken about before. Folk will be shocked when they get a bill because they have received a gift worth more than £39 from somebody in the EU. Such a system currently applies if people get a gift from elsewhere in the world, but the Government are suggesting that it should also apply in the case of goods from the EU. That is a major concern, because as there has been free movement and people have been able to live in other European countries, it is perfectly feasible that an awful lot of people will have family members in other EU countries and therefore will be likely to receive gifts of a value of over £39. I want to make it absolutely clear that if and when people start getting those bills, they will be totally caused by Brexit, leaving the customs union, and the proposed changes to VAT.

Trade remedies have been mentioned, particularly by Labour Members. Some of the evidence about the matter that the International Trade Committee received last year was concerning. The EU currently has antidumping and countervailing measures that would normally be expected to still be in place after Brexit day, such as a five-year measure that was put in place two years ago, meaning that it will have about two years to run at the time we leave the EU. Bernardine Adkins of the law firm Gowling WLG told the Committee that “it won’t be possible to grandfather the measures, otherwise you will face problems with the World Trade Organization.”
If she is right, we have a pretty significant problem, especially because the call for evidence the Government issued at the end of November seems to suggest they do not know which trade remedies are relevant to UK companies. If the UK Government have to create a trade remedies agency, get it up and running, and furnish it with details that have not been provided in this Bill—how to conduct investigations, how subsidies are to be defined, how to assess if a UK industry has been injured, how to define a UK industry, and how to calculate the level of duties and guarantees needed to rectify the injury caused—and if they have do all that before putting in place even the trade remedies that currently exist, we have another problem.

UK Steel has been particularly vociferous in its criticism of this aspect of the Bill. It says that the chief and overriding concern is that schedules 4 and 5 to the Bill, concerning anti-dumping and anti-subsidy measures respectively, contain very little detail. It goes on to point out that for many of our major trading partners, including the EU and US, such issues are covered by primary legislation. The UK Government have chosen to deal with this through not primary legislation, but secondary legislation. That is yet another concern that we have about the Bill. The Bill does not even have the level of detail of the WTO agreements, so if the Government had included those, the Bill would have been substantially better.

The lesser duty rule is also a significant issue, as the UK Government are looking to go in that direction at a time when the EU is looking to move away from it. This is a concern for us, and for UK manufacturers and jobs in particular.

I and my party have general concerns about the loss of the customs union and the single market. We also have very specific concerns, which echo the views of businesses, about aspects of this Bill. A Fraser of Allander Institute report last year said that 134,000 jobs in Scotland are supported by trade with the EU, and Brexit threatens to cost our economy in Scotland £11 billion a year by 2030 and to result in many fewer jobs. The OECD highlighted in June last year:

“In case Brexit gets reversed by political decision...the positive impact on growth would be significant.”

There are major issues about tariffs if we leave the single market. The EU average tariff on imports from outside the EU was 5.2% in 2014. The average tariff on food was 15%. Skimmed milk exported into the EU outside the EU was 5.2% in 2014. The average tariff on imports from outside the EU attracts a tariff of 74%. If our organisations get hit by these tariffs when they are exporting—if we end up outside the EU single market and customs union as part of a no-deal scenario—we will not just have the problems I have mentioned about issues with the Bill, trade remedies and how HMRC will cope with all this. All these things are an incredible problem. Would it not be better and easier, and would it not be in the economic interests of everyone in this country, if the UK Government were to say, “Actually, we are going to stay in the single market and the customs union”?

6.57 pm

Damian Collins (Folkestone and Hythe) (Con): This debate and the presentation of this Bill are incredibly timely. Before Christmas, at the European Council meeting, the Prime Minister moved our negotiations on leaving the EU on to the second phase, with the agreement of the other member states, and we will now discuss the future relationship and the future trading relationship. It is important that, so soon after that Council meeting, although there is still a lot more to be done and negotiated in terms of how that relationship will work, we are debating a vital piece of enabling legislation that gives the Government the legal power to implement whatever is negotiated.

We could have a different scenario, where the Government could negotiate without any legal basis to implement the agreement. They could just negotiate on the basis that they would then have to bring legislation forward at some point in the future. There is no guarantee there would be the time to do that, and it would be a rather strange process to go through. It is far better that the Government are able to pass enabling legislation that gives us the legal authority to implement what they negotiate. At least then, when negotiating with the Europeans, they know that we can implement what we negotiate and we will not be left high and dry because we have run out of time.

Sammy Wilson: That is an important point, and it has been reflected in the speeches from Members from two Opposition parties. Does not the hon. Gentleman therefore find it rather odd that on one hand they talk about urgency, yet on the other hand they have tabled motions saying we should not proceed with this Bill on Second Reading?

Damian Collins: Absolutely. If we waited until every question that has been posed today could be answered—if, indeed, they can all be answered—before we introduced legislation, we could end up with no time for scrutiny or debate, or to implement the legislation in the first place. We can enter into the negotiations on our future trading relationship with any sort of purpose only if it is clear that we have in place the legal frameworks to implement whatever we agree and only if the EU negotiators can see that the UK has the legal basis to implement its own regime and requirements, whatever the trade deal or scenario.

The hon. Member for Aberdeen North (Kirsty Blackman) presented a compelling amount of detail in her speech. It is tempting to lay out all the difficulties and say that there is no point in introducing legislation until we have an answer to all the problems that seem insurmountable, but that would be entirely the wrong way to go about it. We need to make sure that the enabling legislation is in place. It can also be tempting—I say this as someone who campaigned for Britain to remain in the EU—to rerun all the arguments that were made during the referendum, as if the referendum had not happened, but it did happen and the country voted to leave the EU. It is now our responsibility to put in place the legal framework that enables the Government to negotiate so that we can put in place the best possible deal. It is far better that we do that now than in a year’s time.

Sir Oliver Heald (North East Hertfordshire) (Con): I do not know whether my hon. Friend agrees, but the speech we have just heard from the hon. Member for Aberdeen North (Kirsty Blackman), in which she highlighted some important issues relating to cumulation
and other matters, is an example of why the Bill is such a good part of the process. It is giving people the opportunity to highlight important issues for the Government.

Damian Collins: Absolutely, and that is the spirit in which the comments made by the vast array of trade organisations and businesses that are seeking to engage in the process should be interpreted. They are giving us notice of the issues that they believe we need to get right for their sectors. That does not mean that there is a concern that we will not get those things right, but they are right to flag up the things that we have to get right.

I was particularly pleased to hear the Financial Secretary say in his opening remarks that the Government intend to establish a system of frictionless trade at our major ports and other major places of trade with the EU. That is very important for my constituency in Kent, just as it is incredibly important for Northern Ireland. We need to ensure that trade can flow freely.

Ministers from the Department for International Trade will be working hard not only to put in place good trade deals that continue the free trade agreements we currently have with other countries as a consequence of our membership of the EU, but to negotiate trade agreements with other countries around the world. Such agreements will be incredibly important for our future success, but there is something about trade that is rather inevitable: countries tend to trade a lot with other countries to which they are near, because the cost of such trade is obviously far lower. There is a reason why we trade more with Belgium than with Brazil—although I wish we could trade more with Brazil—and that is that Belgium is very nearby. The cross-channel routes and the routes across the border in Northern Ireland are fundamental for our economic success. That is where frictionless trade really matters so that people can move their goods quickly and speedily. In many businesses, particularly those that work in food or with cut flowers and other perishable goods, the quick, “just in time” movement of goods is vital. Businesses on both sides of those borders will be affected equally.

I was pleased to hear my hon. Friend the Member for Morecambe and Lunesdale (David Morris) talk about the initiative he will be undertaking with the hon. Member for North Antrim (Ian Paisley) to bring a Wrightbus down to London. I visited the Wrightbus factory in Ballymena, where the company makes a fantastic product that has become an icon of the London streets. Although the Wrightbus Boris buses do not operate on continental Europe, I urge my hon. Friend and the hon. Gentleman to continue their journey down to my constituency and through the channel tunnel, because it is so important to maintain the flows of trade not only between the countries of the UK but between the UK and continental Europe. A third of the trade of Warrenpoint port in Northern Ireland runs from the Republic of Ireland to Northern Ireland, into mainland UK and on to continental Europe. We need to keep trade running frictionlessly through all those points.

Mr Jim Cunningham (Coventry South) (Lab): People could not disagree with a lot of what the hon. Gentleman is saying, but in the real world at some point we are going to face tariffs, whether it is outside his constituency, on continental Europe or around the rest of the world. If we want a clue about that, we should look at the recent actions of Donald Trump’s Administration in relation to Bombardier. Food supply chains could also be threatened.

Damian Collins: The hon. Gentleman makes an important point. Manufacturing is such an important part of the economy of Coventry, where his constituency is. Tariffs are important. Of course, we want a free trading environment among the countries with which we trade, not only in Europe but around the world. I looked back at one of Margaret Thatcher’s speeches—I am sure the hon. Gentleman is just as keen a student of those speeches as I am—to see how she made the case for the single market to businesses before it was created. She rightly highlighted that, although trade without tariffs is obviously important, what is much more important is getting rid of artificial barriers to trade, such as the restriction of goods from markets because they are not seen to comply with certain standards or the creation of artificial delays that can make trade in goods that need to be moved quickly uneconomic. It is just as important to get trading agreements and the flow of trade right as it is to get the tariff situation right.

Stephen Kerr: My hon. Friend is making a powerful speech in favour of frictionless, free and fair trade. I hope he agrees that, as we go through the Brexit process, it is important that nothing is done to create any barriers to the internal operation of the UK market, by which I mean Great Britain and Northern Ireland.

Damian Collins: My hon. Friend makes an important point. Frictionless trade is just as important between Northern Ireland and Great Britain as it is on the island of Ireland. It is vital to the economies of the island of Ireland and Great Britain and to everyone who lives and works on the island of Ireland and in Great Britain. As I said earlier, because of our proximity and the integrated nature of so many of our businesses, that trade is so important, and it is vital to the protection of so many jobs. There should be no artificial borders in the Irish sea, and nor should there be borders that create friction on the island of Ireland or with the continent of Europe across the English channel.

Sammy Wilson: The hon. Gentleman makes an important point that is sometimes overlooked in these debates: it is vital for the Irish economy that there is no line of demarcation or border on the Irish sea, because its main market for either the sale or the transit of goods is Great Britain. If we simply talk about the border between Northern Ireland and the Republic, we miss the point: there has to be integration among all the islands.

Damian Collins: That is absolutely right. As the hon. Gentleman will know, a third of the goods processed through Warrenpoint port in Northern Ireland come from the Republic of Ireland, so it would do great damage to the economy of the island of Ireland were artificial barriers to be put in place. The same is true for goods that move through what is effectively the Great Britain land bridge to the continent of Europe. A large amount of goods from the Republic of Ireland are exported to continental Europe through ports such as Dover, as well as through the channel tunnel, and it is vital for so many businesses and for the free flow of trade that they are not treated as goods being imported from a third country but allowed to flow freely just as they currently do.
It is important that we make sure not only that we get the tariff regime and the rules of trade right, but that part of our preparedness is about ensuring that we have the right physical infrastructure alongside the enabling legislation that the Government are seeking to pass. I was really pleased to hear the Chancellor announce £3 billion in the Budget to help the UK to prepare the physical infrastructure it will need for trade. Technological solutions can be put in place to make sure that trade can flow without restrictions and frictionlessly at the key trading points and the key points of entry to other markets, but the infrastructure also needs to be put in place now.

It is particularly important for my constituents in Kent that we provide a long-term solution to deal with issues such as Operation Stack. If trade is being held up, for whatever reason—be it bad weather in the channel or strike action in one of the French ports—we need the physical infrastructure in place to keep Kent’s roads open. As part of our preparations for a future in which we can keep goods and services flowing freely around our key points of trade, it is important that we have in place the right physical infrastructure. That includes a commitment to deliver the Operation Stack relief lorry park in Kent. I was pleased that the Financial Secretary was able to confirm before Christmas that the £250 million that the Government had earmarked for the delivery of that vital piece of infrastructure is still there, and I hope we will see good progress on the design this year. Not only can that relief lorry park be considered as a piece of infrastructure for dealing with Operation Stack, which can happen at any time—it has happened while we have been a member of the EU and could happen again in future—but that physical infrastructure will be there in case we need it because of delays in the movement of goods.

Anna Soubry (Bromsgrove) (Con): My hon. Friend is making a good speech in which he is, of course, advocating free trade, in which we all believe—or at least Conservative Members do. Does he, like me, see the profound irony in our discussing how we are going to have to have new technologies, put in new systems and do all these other hugely complicated, very expensive things, in order to cope with leaving the customs union, even though we believe in and want free trade? Does he not think it would be much more simple and sensible just to stay in the customs union?

Damian Collins: My right hon. Friend makes a compelling point, but we have to accept that other political issues are being considered alongside the management of trade: our general future relationship with the European Union as a partner European continental country, but not as a member of the EU itself; whether we should have arrangements whereby the level of regulatory alignment is such that we effectively become a satellite state—a client state—of the European Union and not an independent one; and the extent to which we have to fully comply with and implement rules that we have no further part in designing in future. That is what creates difficulties around membership of the customs union and the single market. As she knows as well, the issue of membership of the single market also comes alongside considerations around the issue of free movement of persons as it is defined now.

If there is a way, through negotiation, to resolve those difficulties and to keep a system of trade that we have got used to and that works so well for our economy, without any deviation from the current system at all, and to deliver the other political objectives that people voted for in the referendum, I will welcome that. However, what we are talking about here is making sure that we prepare, both through the laws and the physical infrastructure, for a different scenario whereby, if we are not able through negotiation to replicate what we have now, we have a system in place that can deliver something that is just as good.

There are many unanswered questions because that process is still being negotiated, but, as I said at the start of my remarks, it is far better that we have the debate about what we want the system to look like now, at the same time as giving the Government the legal power to negotiate and implement what they want in future. Now is the right time to be having that debate. I am sure that there will be plenty of other opportunities for the House to debate the specifics of the deal as we progress through the negotiations this year. But now is the right time to be having this debate.

As I have said, maintaining a system of free trade is clearly what we all want and what we want to see delivered. We need to ensure that we have the legal infrastructure in place and invest in the physical infrastructure, so that we can implement the deal that we have, and in particular keep frictionless trade on the island of Ireland and at our key points of trade in Kent—at the channel tunnel and at the port of Dover—with continental Europe.

7.11 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Let me start by commending the work of the Manufacturing Trade Remedies Alliance, an organisation that is being serviced in a secretariat format by the Ceramics Confederation in my constituency. Working with a number of other trade bodies and trade unions, it has put together comprehensive work to try to make the Bill better. It is not seeking to torpedo the Bill, or to say that the status quo is what we should have. It has genuinely tried to engage to highlight the practical problems with the Bill and to propose solutions that it knows, both as workers and as employers, will benefit its manufacturing industry. I just wanted to put that on the record.

I wish to commend the hon. Member for Aberdeen North (Kirsty Blackman) for her speech, which covered, although in some depth, a number of quite technical points. This is where we are getting to in the Brexit negotiations: the time of painting in primary colours has almost gone, and we are now talking about the individual details that mean so much to our constituents. In my constituency, in Stoke-on-Trent, in the heart of the potteries, no more broadly will the impact of trade remedies and a proper customs arrangement be felt than in the ceramics industry.

In my constituency, around 5,000 jobs are directly related to manufacturing. Across the city, there are 15,000 such jobs, and even more when we tie in the supply chains and support services that make those industries flourish. Madam Deputy Speaker, if you go to any decent hotel around the world, to our own Tea
Room, or to any high-class restaurant and turn over the plate, you will undoubtedly see, stamped with pride on the back of that piece of ceramic, “Made in Stoke-on-Trent” by Steelite Churchill or Dudson. Those companies have been an ambassador for British business around the world for many years.

Only today in our local newspaper, The Sentinel, Jon Cameron from Steelite noted that 75% of every product that he makes is exported around the world. Therefore, the free trade arrangements that we have around the world, some of which are secured through the European Union, are important because they are about jobs in our constituency and jobs in our city. The hon. Member for Walsall North (Eddie Hughes) asked about South Korea. South Korea is one of the largest emerging markets for British ceramics in the world, and we are increasingly selling it more and more tableware and tiles than anywhere else. It is important that we recognise that countries that may seem obscure for some parts of the broader trade arrangements have huge impacts on smaller manufacturing areas where exports are becoming an increasingly important part of what we do.

What I wish to focus on today is the arrangements for market trade remedies. At the moment, the ceramics industry has a certain level of protection via the EU’s market protection arrangements, which affect tableware and tiles. Both are being looked at right now. They are being renewed through the European Parliament, so they are being scrutinised and looked at. The intention is that, when we know that there are market distortions caused by non-market economy countries such as China and Russia, the playing field is levelled.

We talk about free trade, but we should also be talking about fair trade. It is not fair on British manufacturing if Chinese companies are able to produce below-market value, cheap, low-quality tableware, import it into the UK, undermine the local manufacturing base and then distort the market and get away with it. Such practices cause job losses in Stoke-on-Trent and do serious long-term damage to the local market and the local industry. They also mean that, essentially, we are handing over domestic production to Chinese companies. What happens then? Once those companies have driven local producers out of the market, they put up their own prices, and suddenly there is no alternative. The next time I go on holiday, I do not want to turn over my plate and see that it is not made in Stoke-on-Trent. For me, that would be a symbol that we have got it wrong in terms of how we approach British manufacturing.

One in seven of the jobs in my constituency is linked to manufacturing, so making sure that we have those correct protections in place is vital. Across my neighbouring constituency of Stoke-on-Trent North and in Kidsgrove, nearly 19% of the workforce are involved in manufacturing. There are still parts of our country where manufacturing is the fundamental base of the work that we do. Making sure that we have those correct protections in place is vital to ensuring that we still have a manufacturing base that we are proud of in Britain.

Under schedule 4, the Bill will provide a number of mechanisms for the Manufacturing Trade Remedies Alliance, but, unfortunately, they are lacking. This is not a political point; it is a point of fact. As the hon. Member for Aberdeen North pointed out, they do not include a system for how we calculate injury from non-market economy countries. They do not point out how we calculate injury. The Bill commits us to the mandatory lesser duty rule, which is something that the EU is moving away from. It is looking at a conditional lesser duty rule.

The lesser duty rule basically says that, if we can demonstrate that there is injury to our market because of subsidy by a non-market economy country’s activities, we will only seek to remedy the lesser of those two injuries. We may still have goods being imported into our country below market value, distorting our market in a way that is unfair and we will be happy to accept that because it is the lesser of the two duties. That is fundamentally wrong. It is something that the EU is moving away from. We could easily have adopted the wording that was chosen by the EU and put it into the Bill, because it was supported by this Government in the European Council and by our MEPs across the piece.

Mr Jim Cunningham: This is not necessarily on ceramics, but when it comes to research and development for industry, the United States uses the defence budget. Does my hon. Friend agree that that is what we are up against if we pull out of the single market?

Gareth Snell: My hon. Friend is trying to tempt me down a particular course of discussion around single market membership, which I do not really wish to address as part of the Bill, but I do understand his point. In this Bill, not only do we have a set of Trade Remedies Authority procedures that are not particularly well defined and an attempt to wed ourselves to a mandatory lesser duty rule, we are also seeking to include an economic interest test—again, something that very few countries use. The only time we would see either a public interest test or an economic interest test is when we have multinational organisations such as the EU. We will not be in that position, yet we will be wedging ourselves to an extra layer of bureaucracy and complication to our trade remedy process that does not necessarily give the best outcome for British industry.

Unfortunately, there are a lot of the areas where this Parliament and this House should have some right of scrutiny, but where that is being brushed aside. This will all be done through written ministerial guidance, secondary legislation and statutory instruments. There is nothing in the Bill that immediately gives this House and all Members present the opportunity to properly define what we want to see regarding market and trade remedies.

There are a number of matters, which I am sure will come up during Second Reading of the Trade Bill tomorrow, that relate to the membership of the Trade Remedies Authority, the way in which it will be run and its budget. There are also questions around the cost of the investigations and who will be responsible for that cost. In the EU process at the moment, the trade itself makes up a good proportion of the cost, but it does so knowing that whatever remedy it gets out will more than offset the cost of the remedy process. There is no guarantee that that is the case for whatever system we set up once we are outside the customs union and the single market. That could simply result in a situation where industry does not take the risk—where it does not want to put the funding in place to do the investigation and to work out the dumping and injury levels because it does not know what they will look like beforehand.
7.22 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow the hon. Member for Stoke-on-Trent Central (Gareth Snell). I concur with many of his remarks on the ceramics industry, although I am the MP for Denby Pottery, so we may have a slight disagreement on the premier manufacturer of such products. Perhaps we should move swiftly on.

I welcome this important Bill. It is absolutely right that the Government have brought it forward at a relatively early stage in the Brexit process, and it is important that it clears this hurdle tonight. If we are going to leave the EU’s customs union when we leave the EU, it is a simple fact that we will need to have our own customs arrangements and rules in place for that day. By doing so, we can keep collecting the tariffs we get from non-EU imports. As well as keeping that revenue, we can keep important trade matters flowing and the important reliefs in place.

A Bill like this can be quite frustrating because there are lots of interesting customs issues that we would like to debate, such as what the EU deal and any new tariffs will or will not look like, what the administration process will be and how we will fix the Irish question—if we can perhaps refer to it as that—but this Bill does not answer all those questions. Instead, it puts in place the architecture that we can then use to answer those questions when we know what our deal with the EU will be. It is right that this Bill goes through because we need to get all the nitty-gritty detail of our new customs process in place as early as we can, so that it can be understood by all the businesses out there that will need to comply with it and all the software producers that will need software in place. A lot of people will need to be trained on the new duty codes, including which ones apply to their products, how they comply with all these rules, what software systems will be needed and how they will interact with the new HMRC ones. All those things have to be done as early as possible if this is going to work on the day that we finally leave.

I have some comments on specific parts of the Bill. I was not really trying to find in the Bill the detail of what the customs rules will be and exactly what the text says. I think that what we have pretty much mirrors the EU customs rules, and we are just creating our own regime to do much the same thing. That is probably the spirit of the European Union (Withdrawal) Bill, and I appreciate we have to do this as a separate Bill for ways and means purposes. Most people who operate in this area will understand the mechanics that the Government are trying to produce, but what we want to understand is how we can make complying with the burdens of that as easy, straightforward and cheap as possible for the businesses that have to do it. A key part of that is the authorised economic operator system.

When the Public Accounts Committee took evidence on authorised economic operators, it found that about 604 businesses in the UK had that status. Now, that is not a very large proportion of the existing importers that could be using that status. It is about a 10th of the number that Germany has. There needs to be a real impetus during the passage of this Bill and afterwards to ensure that HMRC is doing everything it can to get businesses signed up to that process, so that we have as many of those operators in place as we possibly can when we really need them. That will help those businesses, but it will also help HMRC because it will know which businesses they do not have to check and which will be compliant, rather than having to do risk assessments on them all. What is not entirely clear in the Bill is the status of a business that is already an AEO. If someone has been approved under the EU regime, will that approval grandfather into our regime, or will they have to reapply for it? If someone signs up now, will they be in the same position? I think we should be very clear that if we think a business has that status now, there is no reason why they cannot have it going forward as well.

The Select Committee on Northern Ireland Affairs, which I serve on, has been doing quite a lot of work on customs issues, including visiting Switzerland to see how the border with the EU works. We saw that we can actually minimise the amount of declarations needed if we can make the systems mesh, synchronise and talk to each other. We do not want to see a business making a declaration in the UK for the export of something and then making an equivalent declaration in France when that is imported into the EU system. If a system is designed so that businesses can make one declaration for both regimes, it will halve the work and make things a lot easier. I cannot quite see in the Bill a provision whereby we can take the power to create a system that talks to the other regime in that way. I cannot see a measure whereby, for example, a business could make a declaration in France and where we could then get that data and deem that business to have complied with its obligations—if a company makes an export declaration here, can that be passed on to the French? Clauses 25 and 26 are about co-operation, but I hope that in drawing up these rules the Government
have thought through how we can get a simplified, joined-up system so that we can minimise the amount of compliance we need for those compliant businesses.

Clause 27 is an interesting provision, as it will give the Government the power to create fees in connection with the import process. Perhaps the Government could just reassure us that they are not planning on charging an import fee for the pleasure of complying with these new rules; that might be an unnecessary cost to trade. Will the Government be clear exactly where they see the role of fees and what they think those fees might be? I just cannot see that every time someone imports a widget, they should pay HMRC a fee for that pleasure.

There was some debate on clause 31 in the opening remarks. That clause is about forming customs unions. I have some concerns about what the Government are trying to achieve here. I can see that it is attractive to have the power in place, if we want to create a customs union with our overseas territories or as we all leave the EU at the same time in our various different ways; I have no particular objection to that. I can also see that when we do a transitional deal with the EU, we want to be able to bring it into force effectively. But we are supposed to be agreeing the transitional deal by March, which will give us a year to put it into place before we actually leave. I am not quite sure why we need such a broad-ranging power in the Bill because, as far as I can tell, there is no time limit or geographic limit on this power. In theory, we could do a customs union with the trans-Pacific trade area in 25 years’ time, and it could go through on the affirmative resolution process. I am not sure that that is what we intend.

Customs unions are generally quite significant and powerful things, where we agree not only not to charge tariffs on the other side and vice versa, but to have a common set of external tariffs. Indeed, there is a provision in clause 31 that says we will accept that when a Government change dates on a tariff, that change can apply in the UK. Now, I suspect that we are not envisaging the Jersey Trade Minister setting our tariffs for us. I am guessing that that is aimed at some kind of EU arrangement.

If we do have a year to put in place a transitional provision, it would be better to do that in a considered way through primary legislation so we understand what it means rather than have it go through by some kind of parliamentary back-door process where we cannot talk about the detail or try to amend the substance. These things can be very significant. There can be large amounts of revenue at stake, or issues about which industries we choose to protect. We need to try to clarify exactly what the Government are trying to do in clause 31, and exactly how long this power needs to exist for and what geographical extent we are prepared to give to it.

On the Irish customs question, we cannot expect anything in this Bill to look at that specifically. One of the proposals that we have come up with for fixing the customs border is to exempt all micro, small and medium-sized businesses from needing to comply with the customs rules, presumably so that they would not need to do the declarations or pay any tariffs on goods going across the Irish border. However, I cannot see where in the Bill the Government have taken the power to do that. One could argue that it is covered by the reliefs in clause 19, but is that really the solution that we are expecting in the context of Ireland? Perhaps the Government should sensibly take the power to deliver this in the Bill and make sure that it can be achieved if negotiated.

I have some final points on the VAT issue, which was raised earlier. It is clearly perfectly fair for importers from the EU to point out that they are going to be cash-flow disadvantaged compared with their current situation if they have to pay VAT immediately when they import the goods rather than on their next VAT return once they have processed the transaction. That would put them in the same position as somebody importing from outside the EU. It is encouraging that the Treasury, for once, is prepared to be generous in that situation and create a regime where those businesses may not face that cash-flow implication. We ought to think very carefully about whether we want to treat an import from France differently from one from the USA in this situation. Will this generosity on cash flow apply more widely than the EU?

A lot of the lobbying on this has come from the British Retail Consortium. Businesses in my constituency that trade with the large retailers tell me that they are being pretty brutally squeezed on the amount of credit that they have to give to those large retailers—up to 120 days in some cases. If the Government intend to create a targeted, generous regime to help the cash flow of people importing goods from outside the UK, perhaps they should make it available only to businesses that treat suppliers within the UK with some kind of fairness, to have a level playing field. It would be a bit crazy for it to be better for their cash flow to import goods from the EU than to buy them from the UK supplier round the corner. I hope that could be another stick to encourage large businesses that treat their small suppliers quite badly by saying, “Yes, we accept that there is an issue, but we will only let you have this cash-flow advantage if you’re behaving fairly to others in terms of their cash flow.”

I welcome this important Bill and hope it gets a speedy passage through the House.
history and an existing UK strength. The creation of a free port would increase employment and economic activity in areas where economic need is high and could play a major role in rebalancing our London-centric economy. Of the country’s 30 largest ports, 17, including Teesside in my own constituency, are in the bottom quartile of local authorities in the index of multiple deprivation. I make no apology for lobbying for such a status on behalf of the port in my constituency. Teesport has strong structural advantages for being favoured for free port status. It has a deep-water facility providing lock-free access to the sea, with strong road and rail services. Teesport is versatile and adaptable. The facility handles 5,000 vessels and 40 million tonnes of cargo a year. The port is integral to the Teesside manufacturing complex, incorporating chemicals, engineering, renewable energy, and agri-tech. The South Tees development corporation is overseeing the former SSI site—the biggest industrial opportunity the UK has seen since the second world war. When the Government closed the steelworks in 2015 and 3,000 Teessiders lost their jobs, the Government promised to do all they could. On the Prime Minister’s most recent visit, she told us that we had to look to the future. Well, we are—the question is, are the Government?

The development corporation—the only one outside London—has set out its ambition to create 20,000 additional jobs in high-value manufacturing over a 25-year period, adding £1 billion in gross value added for the local economy. This would be substantially enhanced through the creation of a free port. Incorporating the development corporation area, together with the Teesport facility and in conjunction with adjacent industrial sites such as Wilton and North Shore, into a free port area would help the region to build on its current strengths in chemicals, steel, energy and logistics, and realise our vision to become the most attractive place in the country for high-value manufacturing.

Led by the north-east process industry cluster and the former hon. Member for Hartlepool, Teesside is the location of the largest integrated chemical complex in the UK and the second largest in western Europe in terms of manufacturing capacity. The sector has inputs to a range of other key industries such as aerospace, automotive, and life sciences. The sector is highly productive and competitive but faces a number of challenges such as increasing global competition, high operating costs, the need to attract investment from global parent companies, and skills shortages. A free port could be part of a range of policy solutions to maintain and enhance the attractiveness of investment in this sector in the UK and on Teesside. Free port status for Teesside could make the area the gateway of the north, rebalancing the economy and making the region’s manufacturing base more competitive and attractive.

This Bill provides an opportunity to establish the legislative basis to enable such a system to be set up in the UK, potentially giving a quick and powerful boost to the British economy as we go forward in Brexit negotiations. However, such a zone is not dependent on leaving the EU. Other member states have free ports, including the ports of Bremerhaven in Germany, Le Verdon in France, and Shannon in the Republic of Ireland. In fact, there are currently 85 free port zones within the European Union. Moreover, the Secretary of State is already empowered to designate free ports by statutory instrument under section 100A of the Customs and Excise Management Act 1979, which is still in force. Indeed, the UK itself had five free trade zones until 2012, at which point the statutory instruments that set them up expired, so the framework is in place and the opportunity is there. I hope that this Bill can clarify the situation. Part 2 of schedule 2 allows the Government to regulate on free ports. I hope that the Minister therefore agrees that this is the perfect moment to reopen the debate on free ports, to be bold, and potentially to create a new one—preferably on Teesside.

I conclude by asking the Minister the following questions. First, does he agree with the principle of free ports, and does he recognise the role they can play in driving and rebalancing our economy? Secondly, will the Government be using this Bill to amend the free port powers created by the Customs and Excise Management Act? If so, will they use the opportunity to bring forward powers to enable Teesport to become a free port or subject to special customs arrangements?

7.38 pm

Richard Graham (Gloucester) (Con): In following the hon. Member for Redcar (Anna Turley), I can only applaud her support for her local port.

I support this Bill. Above all else, as I said earlier and the Minister confirmed, it is an enabling Bill to create a post-Brexit functioning customs, VAT and excise regime. Because this is being done well ahead of the results of the negotiation, it does not predetermine the result. That necessarily disappoints those in this House who want the predetermined detail in order to see the extent to which the Bill suits their own vision of what our post-Brexit relationship should look like. In so doing, the Bill satisfies those for whom the Bill is intended—not politicians, but traders, exporters of goods and services, businesses and organisations, including universities and hospitals, with cross-border business in a wider sense—for we and, above all, they need to have in place the mechanisms for setting import duties, regulations, protections, dispute resolution procedures and so on, whatever the final trade and customs arrangements with the EU turn out to be.

That should be uncontroversial, but because the details are not in the Bill, Members are finding all their concerns and worries in their own imaginations. After a speech of some half an hour, for the hon. Member for Aberdeen North (Kirsty Blackman) it all boils down to the fact that she wants to stay in the current customs union with the European Union. For the hon. Member for Stoke-on-Trent Central (Gareth Snell), it is about protecting the ceramics industry. With respect to him and to Stoke-on-Trent, however, no customs Bill can do that, for the customs Bill is about making arrangements for future import duties, not about defining the new technology and brilliant designs that the world admires and wants to own, which is what will determine the future of the ceramics industry there.

Stephen Kerr: My hon. Friend is making a powerful speech. Does he agree that without this Bill we will have the archetypal cliff edge that the Opposition parties go on and on about? By not supporting Second Reading, they risk creating the cliff edge that they are always going on about.
Richard Graham: My hon. Friend is absolutely right. He brilliantly pre-empted the point I was about to make, which is that although some Opposition Members have described the whole point of the Bill, as my hon. Friend the Member for Brxotowe (Anna Soubry) underestimated the importance of technology not just in business, but for our customs processes. Regardless of whether or not we had decided to leave the EU, replacing the existing customs system, CHIEF, with the new IT platform, CDS, will, although it comes with a caveat about new Government IT systems, help our customs regime—it is currently rated fifth out of 160 countries in the world for its efficiency by the World Bank—to maintain or improve our position. The trusted trader system used by Canada and Australia, for example, has obvious replicability for trade at the border between Northern Ireland and the Republic of Ireland.

At the same time, the Bill is not devoid of ideas. The earlier customs White Paper outlined the two key negotiating positions for the Government, the first being a streamlined option and the second being a new customs partnership. My own belief is that if our European partners—that is entirely the right word for members of an organisation with which we have 44% of our exports—can prove pragmatic in their interpretation of the new partnership, I very much hope that option 2 will prove possible. This option would allow the UK to mirror EU customs arrangements and trade policies for goods that are eventually to be consumed within the EU—even if they are first used, as it were, in the UK—thereby ensuring that the right amount of EU duty is paid without introducing new customs processes between us. This would be a practical benefit from a new partnership that I very much hope will come forward from the negotiations.

Let me turn to the amendment. The hon. Member for Bootle (Peter Dowd) talked with some passion about the manufacturing jobs in his constituency—rather fewer, I have to tell him, than the 4,000 manufacturing jobs in Gloucester; we all have manufacturing as a key element of our constituency business. He has concerns about the Bill’s impact on manufacturing, and the amendment therefore raises three objections to the Bill, which I will come on to. At the same time, there is clearly a certain demand from Opposition Members for an internal Labour debate about their party’s position on the customs union. The hon. Member for Nottingham East (Mr Leslie) would like a special debate on whether the preference of the leading Opposition party is for a customs union or for the customs partnership, and I am sure others from the Scottish National party would add weight to his discussions on that subject.

The truth is that Labour’s objection to powers coming back to the UK because we are “denied any detail”—my hon. Friend for Stirling (Stephen Kerr) mentioned, is to avoid a cliff edge by putting in place the mechanisms needed, whatever the result of the negotiation, which has not yet started in detail. At the same time, Labour is complaining that the Bill gives powers back only to the Government, rather than to Parliament. In fact, of course, all the detail post-negotiation would come to Parliament through secondary legislation, on which all of us in this House would decide.

Mr Leslie: Has the hon. Gentleman had a chance to look at clause 31(4) in relation to forming a customs union with the United Kingdom? He can correct me if I am wrong, but I do not think that that would necessarily come before Parliament. It would be done by Her Majesty through an Order in Council.

Richard Graham: On that specific detail, the hon. Gentleman may well be right, but, ultimately, Parliament will decide the shape of any future agreement.

Nigel Mills: Will my hon. Friend give way?

Richard Graham: Let me respond to the intervention, if I may, and I will then come to my hon. Friend. The key thing in all the arrangements for a future customs union is that the precise nature of its structure has not yet been decided. It is all still up for debate, and the Bill is therefore an enabling Bill that puts in place the future mechanisms.

Nigel Mills: I was just trying to help my hon. Friend. The answer is in clause 32(10), which states that the Order in Council cannot happen unless this House has approved the order first.

Richard Graham: Precisely. I am grateful to my hon. Friend. Everything comes back to this House.

The point about the options that the Government have set out and the new customs partnership is that this will have huge practical benefits. Let me give a couple of examples. We could apply our own tariffs to goods destined purely for the UK. For example, for mangoes from India and the Philippines, which are not really a competitive product with anything we grow in this country, there is no reason why the EU should determine what tariff we apply. However, if a basic bicycle was made in another part of the Commonwealth and then exported to the UK for further modifications for onward export to the EU, it would make absolute sense for us to mirror the EU trade and customs arrangements.

The future customs arrangements, which are being negotiated, will therefore have profound implications for our future trading opportunities, and the Bill provides the way forward and opens the door to success, whatever the outcome of the negotiations. That is why the Liberal Democrat amendment, seeking a guarantee that the UK’s trading relationships with the EU and the rest of the world are not damaged, is so bizarre. How can anything like that be guaranteed, particularly during a negotiation? That was doubtless the reason why the amendment was not selected for debate.

This evening, one Opposition party is concerned about guarantees while a negotiation is going on, and another—the main Opposition party—is complaining about being denied any detail about the same negotiation, which has not yet properly started, while a third has already decided, regardless of the results of that negotiation, that it is all a terrible mistake. This evening therefore
provides us with an opportunity to back a Bill, which should be entirely uncontroversial politically, that enables the businesses and manufacturers in all our constituencies to know with certainty that, whatever the results of the negotiation, we will have in place the mechanisms for their future exports. It is precisely because the Bill is practical and flexible and because it caters for all outcomes, while making sure that there is no cliff edge, that all of us should support it this evening.

7.49 pm

**Mr Chris Leslie (Nottingham East) (Lab/Co-op):** The Bill has profound implications for our economy, for many of our constituents, and for businesses that operate in our constituencies. It gives the Government considerable powers to levy customs duties on goods coming from the European Union, which would be an incredibly damaging spiral for the British economy to enter into as it would not only affect employment opportunities and business costs, but put in jeopardy the stability of the border between Northern Ireland and the Republic of Ireland. The notion that the proposed duties will apply and that we will somehow also retain frictionless, uninspected borders is oxymoronic—it is not possible. Despite a rather cleverly worded phase 1 agreement between the Government and the European Union, in which they basically decided to kick the issue into the long grass to be determined later on, the question has not yet been resolved and the situation is incredibly serious.

The referendum ballot paper did not mention customs duties or VAT, and it certainly did not mention the customs union. That was not the subject of the question that the British public were asked. Perhaps some Government Members read something between the lines, or perhaps when they squinted in a particular way and stood on one foot they read something on the ballot paper that the rest of the country did not. The country has not voted to leave the customs union, yet the Government and the Prime Minister take it totally for granted that we should all naturally accept that outcome.

**Stephen Kerr:** I am sure that the hon. Gentleman was conscious during the entirety of the referendum campaign. I certainly was and I can assure him and the House that there were frequent references to the definition of the European Union as a single marketplace and a customs union. In fact, that was how the EU came to be defined to the British public. Perhaps some Members read something between the lines, or perhaps when they squinted in a particular way and stood on one foot they read something on the ballot paper that the rest of the country did not. The country has not voted to leave the customs union, yet the Government and the Prime Minister take it totally for granted that we should all naturally accept that outcome.

**Mr Leslie:** Just because the hon. Gentleman asserts that it was very clear does not mean that that was the case. In fact, his own friend and colleague, Daniel Hannan, a Member of the European Parliament, was very clear that the single market was incredibly important and that no one proposed leaving it. Many other hon. Members said similar.

**Phil Wilson (Sedgefield) (Lab):** It was also made quite obvious during the referendum campaign that £350 million a week would be spent on the NHS, but I do not think that has come to fruition either.

**Mr Leslie:** Perhaps we all just dreamed about that—it was something that we conjured out of thin air and imagined.

**Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con):** The Prime Minister at the time was perfectly clear that leaving the European Union did indeed involve leaving the single market and the customs union. It is sophistic in the extreme to suggest that people did not mean to leave the European Union and its institutions when we voted to leave.

**Mr Leslie:** Well, let the Prime Minister of the time come to tonight’s debate and say that himself.

**Mr Simon Clarke:** He is not here.

**Mr Leslie:** Oh, that’s right—he is not here anymore. I vaguely remember who the Prime Minister was at the time.

The ballot paper text is a matter of record for all to see. It asked whether we should remain in or leave the European Union, but it did not go into the details, because in a parliamentary democracy those sorts of details are naturally left to us. This is on our shoulders. We are accountable to our constituents for interpreting that referendum result and putting it into effect, always with an eye on protecting their best interests. That is our job—it is what we are elected to do.

Government Members may think that it is in their best interests to leave the customs union, but that was not on the ballot paper. I disagree with them. I do not think that leaving the customs union is in our best interests, and certainly not those of my constituents. We are talking about a potential impact on half the goods traded by the United Kingdom, as half our goods trade goes to the European Union. These are not inconceivable issues. Some 2.5 million lorry journeys a year through Dover might be affected. Whole businesses have set up “just in time” business models, down to a matter of minutes, for how goods and components will be sourced throughout supply chains and how inventories will be sourced from across the whole European continent, but they now face being upended not only by the potential duties imposed by the Bill, but by other, non-tariff barriers including bureaucracy, additional form-filling, registrations and inspections. Goods coming in might have to go to one side, both at the port of departure and at the port of entry, to be checked for sanitary and phytosanitary compliance. There are all sorts of inhibitors to the free flow of goods. I and other Opposition Members are talking about free trade. That is what we should be standing up for, which is why this is an incredibly important issue.

**Kerry McCarthy (Bristol East) (Lab):** I draw attention to my entry in the Register of Members’ Financial Interests. This is not just about goods being physically sold in other European countries. Musicians who tour Europe face real uncertainty about whether their instruments and merchandise, whose sales a lot of bands rely on, will be viewed as imports into those countries. There is a lot of uncertainty about what will actually be classed as a good crossing a border.
Mr Leslie: I will come on to that when I discuss part 3 of the Bill and the VAT consequences for not just businesses, but potentially consumers as well.

Richard Graham: I know that the hon. Gentleman holds his views deeply and sincerely; colleagues of mine hold very different views equally sincerely. Surely the crucial thing for all of us, however, is that the Bill allows for any of those possible outcomes. It does not predetermine the result of the negotiations or determine whether the United Kingdom will have a future free trade agreement with the European Union that replicates almost completely the existing customs union. Therefore, surely we can agree tonight about the importance of having a mechanism in place that avoids the cliff edge that all the businesses in all of our constituencies want to avoid.

Mr Leslie: If only that were the case. In fact, that same point is raised in paragraph 9 on page 6 of the explanatory notes, which states: “The Taxation... Bill does not presuppose any particular outcome from the UK’s negotiations with the EU.”

That is not true. The Government have absolutely presupposed that the customs union is off the table. It is the ultimate presupposition, if ever anyone wanted a definition. This Bill apparently does not allow us to stay in the customs union, but it should allow us to do so, because I happen to believe that there is a majority in this House of Commons for membership of the customs union. I have a little job of work to do to continue to persuade my own party’s Front Benchers of that particular point, but I will try my best to do so because I think they will eventually recognise that being part of the customs union is incredibly important for our economy not just in the transition period, but for the longer term. I believe that the numbers are here in the House of Commons to support that and that it will eventually be proven.

I am disappointed that the Government have tried to twist parliamentary procedure by deeming this measure to be a money Bill. It is Mr Speaker who will decide whether or not it is a money Bill, and I think he will do so at the end of this particular Commons procedure. The Government, though, in a slightly tricksy way, are putting through the Bill following a Ways and Means resolution. Why have they done that? They have gutted the Trade Bill and stuck everything they possibly can into what was the customs Bill so that it cannot be amended by the House of Lords. It is the most obvious trick in the book—rule 101 for a Minister. I have been around the block a number of times, and I have to tell the Minister that there are whole clauses in the Bill, such as clause 31, that are about the formation of a customs union. How is that a matter purely for a money Bill? It is absolutely an issue of public policy to do with our trading alliances that the other place should have every right to pass comment on. If it has advice and suggestions for this place, it should be allowed to amend the Bill.

Stephen Doughty: I completely agree with my hon. Friend’s point. Is it not underlined by the fact that the Government’s programme motion neglects to state how many days’ scrutiny the Bill will receive in the Public Bill Committee, let alone on the Floor of the House, but does state that the Committee will be done by 1 February? If the Committee does not start for a week or a couple of weeks because the Finance Bill and other measures are going through, there will be an extraordinarily small amount of time for detailed scrutiny of a 56-clause Bill with numerous schedules that will potentially have serious impacts on our economy.

Mr Leslie: That is why I suspect that the other place will look at the truncated scrutiny. I tried to get this out of the Minister earlier—not the Minister before us, but the Financial Secretary to the Treasury. It was not a Cabinet Minister who came to the Chamber to introduce the Bill, by the way, but I am told that a reshuffle might be going on, so perhaps the Chief Secretary or even the Chancellor are in negotiations. The junior Minister acquitted himself reasonably well at the outset—as well as he possibly could, given the line that was scripted for him to take—but I think that a Cabinet Minister should have presented a Bill of such scale and importance. It deserves proper scrutiny in this place, with the right number of Committee sittings, because otherwise the other place will have to do that job for us.

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): I am happy to confirm that the Bill will have eight Committee sittings in the House of Commons.

Mr Leslie: I can only hope—fingers crossed—that I am selected for the Committee. I know that my hon. Friends on the Front Bench will be keen to have me on it. I try my best to be as constructive as possible at all times, so I hold out great hope for that.

Part 1 of the Bill is very wide-ranging. My hon. Friends have made speeches about trade remedies in respect of anti-dumping and subsidy provisions. Perhaps the Minister will use his winding-up speech to cast a little more light on what the UK’s policy will be on competitive trade and, in particular, on subsidy issues. I know that Government Members have an interest in many aspects of trade with places such as China and other non-market economies. The question about subsidies is important, so I would like to hear a little more from the Government about what their policy stance will be. Will we cut and paste the existing EU approach or not?

A number of big decisions have to be made. When our constituents find out that we will have the power to raise or lower a particular duty, the widget manufacturers or whatever in our constituencies who might be prone to it, or whose competitors might be prone to it, will take great interest in contacting Members of Parliament to say, “Will you push the Government to raise this duty?” or, “Will you push Ministers to lower that duty?” This has the potential to fill our inboxes for decades to come.

Members of the European Parliament—we have sort of outsourced much of this policy to the EU for 40 years—have a number of scrutiny powers in respect of customs and excise and trade agreements that we will not have when those matters are brought to the House of Commons. I worry very much about trade agreements. Members of the European Parliament have the right to comment on them and even to suggest amendments to them. Of course, they then give final consent to trade agreements, but that is not part of the current Administration’s package under the customs and trade Bills.
Vicky Ford: Will the hon. Gentleman give way?

Mr Leslie: I give way to an eminent former Member of the European Parliament.

Vicky Ford: I remind the hon. Gentleman of what the Financial Secretary said from the Dispatch Box: any new free trade agreement that the UK signs up to will be subject to the affirmative procedure in this place.

Mr Leslie: Of course, that is an unamendable procedure. I think that, at the very least, the Government will be pushed by the other place into a super-affirmative procedure whereby the Commons has a Committee that looks at the details and suggests amendments and changes. Ministers may then plough ahead if they want, but a super-affirmative procedure would mirror more the powers of MEPs in these matters. A simple aye or nay would be a dilution of the scrutiny powers that we currently have democratically via elected Members of the European Parliament.

I want to focus on part 3 of the Bill. In the past couple of days, a lot of attention has been given to the number of firms that do business across the European Union. They think of their trade not as imports and exports, but as arrivals and dispatches. Whether they are buying components from Birmingham or Bristol or from Brussels or Berlin, they treat them all the same for customs and excise and VAT purposes. That will potentially not be the case under the Bill.

Even if we stayed in the single market and the customs union, we would not necessarily be in the EU VAT area, which is outwith the customs union. That is another decision that Ministers will have to face up to and take. I would like the Bill to be amended so that we stay in the EU VAT area or, at the very least, have a proper impact assessment of the implications of leaving it. That is the position of the British Retail Consortium, which argues that leaving it would mean a potential bureaucratic burden for businesses that currently, if they are importing goods from EU member states, can treat the acquisition VAT through the normal quarterly lodgings of their VAT returns. Henceforth, those firms will potentially have to pay VAT up front—it is known as import VAT—at the point of entry, so at the border, at the port, at Dover, at the channel tunnel or wherever it comes in, each time there is that level of transaction. To look at it in the round, the customer would pay the same amount of VAT at the end point, but it would be incredibly disruptive to the cash flow of those firms.

I looked online and at the explanatory notes, thinking that there must be a regulatory impact assessment of that situation, because the Bill abolishes acquisition VAT and introduces import VAT on goods, including those from the European Union. There does not seem to be a particularly rigorous impact assessment. I do not know whether I have missed it. There was one for the Trade Remedies Authority, but there does not seem to be one for the import VAT proposals. There ought to be an impact assessment, because that is Cabinet Office best practice, but I cannot seem to find it.

Again, I do not think voters were necessarily tuned into the implications on the EU VAT area when they cast their votes on the ballot paper. I may be criticised again for saying this, but I did not see the EU VAT area on the ballot paper. Perhaps I was not looking closely enough. Perhaps Government Members will help me out and point to where it was.

Currently, 140,000 British companies have to go through the rigmarole of registration and compliance when importing from outside the EU. A further 132,000 firms that do not trade beyond the EU but source their imports and components from within the EU will potentially be added to that. Knocking on for 300,000 businesses will be hit by this. According to HMRC’s own statistics, the number of transactions that are hit by customs duties and, therefore, potentially by import VAT will go from 55 million trades to 255 million trades a year, with all the paperwork and rigmarole associated with that level of bureaucracy.

Stephen Doughty: My hon. Friend is making incredibly important points about the practical implications of the Bill and the proposed changes. Was he not concerned, therefore, that the Financial Secretary refused to confirm whether any additional customs officers were being proposed or were in training? In fact, he seemed to suggest that they would be reallocated from other roles within HMRC or the Home Office. Given the scale of the additional bureaucracy that is being proposed, is that not deeply worrying?

Mr Leslie: We will have to hear from Ministers how they propose to deal with the extra 200 million trades going through the new system. I hope to read more in the impact assessment. If the Government can cope with, or have proposals to ameliorate, some of that administrative burden, we would like to see it in the impact assessment.

On top of that, my hon. Friend should know that, as I think was mentioned earlier, HMRC currently has a computer system or IT software called CHIEF. What does it stand for? I will not try to use the acronym—oh no, I can; you will be glad to know, Madam Deputy Speaker, that it stands for “customs handling of import and export freight”. CHIEF will be retired in January 2019—keep that date in mind, as it is crucial in the transition. We are moving to a new system called the customs declaration service. It is costing £157 million to implement and is potentially great news, but all these 130,000 new traders will suddenly be brought into this new system, and they will need to be given time, leeway and flexibility to get used to a system that they currently do not have to operate. I want to hear from the Minister what approach the Government will take to gradually phase in the new system while bringing so many extra businesses into that procedure.

Jim Shannon (Strangford) (DUP): We have had the good fortune over the last week to see some of the news, including BBC news. In the last week the BBC has visited businesses on the mainland. There seems to be a confidence among businesses and private enterprise across the whole United Kingdom of Great Britain and Northern Ireland in what the Government are doing in relation to the points that the hon. Gentleman is making. Does he accept that a lot of those companies understand the issues and are happy to put them in the hands of the Government?

Mr Leslie: That is not quite the impression I am getting from the business community. Trade bodies, such as the British Retail Consortium and others I have mentioned already, are voicing their concerns, but many businesses are also waiting to see if there is any clarity on the details of how this will pan out. The warm words about phase 1 agreements—“We can sort these things out”,
“Don’t worry, it will all be fine”—will only butter so many parsnips. Ultimately, businesses want to know how it will affect their bottom line, how they will cope, what sort of new systems they will need to put in place, what sort of employees they will have to bring in, and so on.

Stephen Doughty: I am afraid I disagree with the hon. Member for Strangford (Jim Shannon). He and I get on very well, but I am not hearing the same thing. The Freight Transport Association has made very clear the consequences of even marginal delays to customs procedures, such as those caused by the introduction of a new IT system and the additional time spent processing declarations. It has said that the addition of an average of two minutes to customs processing would result in a 17-mile queue from Dover back to Ashford; four minutes takes the queue back to Maidstone; six minutes back to the M25; eight minutes, and we are at the Dartford crossing and Essex. We could not have a clearer illustration of the types of problems that could be caused. These are substantial changes and, even with the best will in the world, they will have substantial impacts on trade.

Mr Leslie: That is why we should not just rush the Bill through as though it were a minor, technical copy-and-paste exercise. These are fundamental decisions we are having to grapple with, both in this House of Commons and in the other place, and it is not appropriate that it be deemed a money Bill. Yes, aspects are to do with taxation, but others are not and broadens out into trade and other areas. The Government might think they can deal with this tactically in that way but I do not think it appropriate.

I encourage my Front-Bench team, and all hon. Members, to support remaining in the customs union. I give notice to my Front-Bench team in particular. I asked the shadow Chief Secretary to the Treasury about the Labour party’s policy on the EU VAT area, a specific area of policy we need to get to grips with. The Bill should be amended so that we retain our involvement and participation in the EU VAT area, as that is the clearest, simplest way of retaining the current benefits. I am sure that amendments will come along on this issue, and when they do, I hope that all hon. Members will think carefully about what to do.

As for this evening, I worry that this VAT issue is yet another potential horror story in the Brexit saga. We pull at one thread and yet more issues start to tumble down on top of our constituents and the business community. It is not right to facilitate duties being put on trade with our nearest neighbours and closest economic allies across the EU, and that is why I hope that we will oppose the Bill this evening.

8.15 pm

Julia Lopez (Hornchurch and Upminster) (Con): If we are to deliver Brexit, the UK needs to leave the customs union and establish its own customs regime. Without doing so, the UK will be precluded from striking its own free trade deals and left open to certain judgments from the European Court of Justice. I fear that those who believe we can honour the referendum result while staying in the single market or customs union are simply wishing to deliver Brexit in name only.

The Bill is widely drafted in order not to prejudice the eventual outcome of any deal we strike with the EU. It instead ensures that the UK can respond to its new status, whatever the circumstances in March 2019. That could include a no deal scenario—something that would represent a wasted opportunity of historic proportions on the EU’s part. Our Government have already made it clear that the UK wants to maintain free, frictionless trade with the EU and that they wish to maintain continuity with EU law at this stage on customs, excise and VAT to give businesses certainty.

There would be no need for chaos at customs or increased tariffs if our standalone regime could be linked closely to the EU’s, potentially in a new customs partnership. The question is whether the EU has the capacity to recognise its own interests and, more crucially, the interests of the people it governs. Until 2008’s financial crisis, global trade had been growing at up to twice the rate of global output for decades. Ever since, trade has slowed to be in line with, or sometimes below, growth in the global economy and political upheaval has followed.

As a founding World Trade Organisation member, the UK has long been a passionate advocate for liberalised trade. It is time to regain that leadership role and push back against the superficial allure of protectionism. The Bill sets the scene for that. While it introduces the potential for levying tariffs, giving us the tools to protect against dumping, it also allows us to adopt a unilateral trade preference scheme for developing countries to ensure trade further replaces aid as the primary poverty alleviation tool.

The Bill also aims to manage the flow of goods at our ports. Over the summer, I visited London Gateway, a state-of-the-art port in Essex with modern HMRC and Department for Environment, Food and Rural Affairs facilities and spare capacity. A logistical hub is being developed to deliver goods directly to London and the south-east rather than via midlands distribution centres. German grocer Lidl has already taken space there. The competition from nearby ports such as Tilbury, with its vast Amazon fulfilment centre, keeps freight costs low and ties into the Government’s ambitions to unlock the entire Thames Gateway with a new river crossing and more homes. This plan and these efficiencies strip out cost to retailers, helping to offset any potential increase in tariffs. Our customs systems are already highly efficient, but the Bill sets up an authorised economic operator scheme to indicate the fulfilment by exporters and importers of recognised compliance standards and makes provision for HMRC-approved warehouse operators. These measures should fast-track shipments. We now need to identify the sectors most exposed to any new cost and resource HMRC appropriately, which is what the Government are doing.

In my capacity as a member of the International Trade Select Committee, I would like to say something about tariff-free quotas. As an EU member, the UK is party to over 60 free trade agreements that permit our trading partners to export a certain volume of goods to the EU tariff-free. Along with the Trade Bill, this Bill provides the foundation for the continuation of these deals after Brexit. We hope that this grandfathering process will be straightforward, but our trading partners may use the opportunity to renegotiate terms, and rules of origin might add complexity to existing trade. Rules of origin define where a product was made and help to determine the application of quotas, preferential tariffs and trade remedies.
Julia Lopez: At present, the UK can export to the EU with no restrictions on the value of imported intermediates from third countries, and this will likely change once we are out of the customs union. Origin is generally conferred based on where a good was obtained or manufactured or where the last substantial transformation took place. Cumulation of origin allows for greater flexibility when using raw or semi-manufactured materials from certain third countries. Currently, as an EU member state, the UK benefits from the pan-Euro-Mediterranean cumulation zone.

Cumulative rules of origin may prove hard to negotiate, requiring trilateral discussion between the UK, the EU and the third country concerned. None the less, the UK’s departure from existing free trade agreements is not challenge-free for the EU either. Those FTAs were negotiated on the basis of access to an EU economy that included a UK market, which, in 2015, amounted to 17.5% of the EU’s GDP, and which contains some of its most voracious consumers. If we withdraw that market from the FTA, there will inevitably be an impact on its functioning, if not on its legal character. The EU plans to remove the equivalent of the UK’s market share from the duty-free quotas that it offers its trading partners. Otherwise, EU domestic producers will have to compete with a greater inflow of tariff-free foreign goods. FTA partners, however, are understandably very unhappy at the prospect of a substantial reduction in their tariff-free quotas.

If the EU can think imaginatively and flexibly about a customs link to the UK economy, with potential agreement on rules of origin at least for a transition period, the potential problems of both sides can be addressed. The EU’s default arrangements relating to rules of origin are relatively liberal, and processes already exist for exporters to self-certify origins. Agreeing on those processes, and ensuring that businesses sign up to them now, should be a priority.

Kirsty Blackman: May I pursue the issue of tariff-rate quotas? Is it not the case that, even if countries receive their tariff-free quotas, the United Kingdom, although sometimes the advice that they give to others is the complete opposite of their claims to that effect.

All those who follow this debate, whether they are leave or remain supporters, ought to be aware that Ministers are advocating a move that they know is damaging to the UK’s interests and that they are doing so because on 23 June 2016, on one day of the electoral cycle, people voted to leave the European Union. People need to remember that Conservative Members who were overwhelmingly in favour of our remaining in the EU know that this will cause us damage, but are proceeding with it nevertheless. The Government will not admit that, and they will not release the information that would enable us to know it. We have already had the rather circular argument about sectoral analysis, impact assessments and so on. The one thing that the Government are not willing to do is share the information about what the economic impact of Brexit will be.

Tom Brake (Carshalton and Wallington) (LD): Let me start where the Minister started. He spoke of wanting to secure the greatest possible economic advantage for the United Kingdom, but I am afraid that what we have is a series of Ministers who are wilfully proceeding with Tory Brexit decisions that they know are damaging to the UK’s economic interests.

Some Conservative Members—although not Ministers—state openly that they realise that what the Government are pursuing is damaging to our economic interests. Some are embarrassed by that, and I shall not embarrass them by naming names; they are keeping their heads down and staying quiet. Some think that this is a price worth paying. Some believe that it will benefit the United Kingdom, although sometimes the advice that they give to others is the complete opposite of their claims to that effect.

Mr Simon Clarke: The whole point is that the Irish border issue cannot be resolved until we know the wider context of the trade agreement that has been established. The right hon. Gentleman is getting the logic back to front.

Tom Brake: We will wait and see whether I have got the logic back to front. I suggest to the hon. Gentleman, however, that the idea that it is possible to have on one hand a completely seamless border and on the other hand a United Kingdom that is outside the European Union does not work. There must be one of two solutions. The first, relating to where that border sits, would be very unpopular with members of the Democratic Unionist party, while the second goes against everything that the party in power is advocating. I do not think that there is a simple solution, and that is why I think that the issue has been kicked down the road. I suppose people are
homing that, perhaps as a result of phase 2 of the negotiations, there will be a miracle solution that will make possible a frictionless, seamless border between Ireland and Northern Ireland, but given that no one has identified it so far in the 18 months or so that have elapsed since the referendum, I am not confident that anyone will come up with it in the time that remains.

I believe that the Bill is unnecessary and, indeed, highly damaging. It was required only because the Government have set themselves against the solution that is our staying in the customs union. The hon. Member for Gloucester (Richard Graham) tried to highlight the differences between Labour Front Benchers and some of his hon. Friends, which is easy enough to do, but he could equally have chosen to highlight the differences on the Tory Benches. At least one Tory Member, the right hon. Member for Broxtowe (Anna Soubry), considers the solution that the Government are trying to identify in all their fudges and workarounds to be staying in the customs union, and I agree with her. If there are differences of opinion, they exist on both sides of the House, not just between Labour Front and Back Benchers.

We will oppose the Bill’s Second Reading, not for—I was going to say mealy-mouthed reasons, but that might be unfair. I do not know the hon. Member for Bootle (Peter Dowd) terribly well, but I have no reason to believe that he is, in fact, mealy-mouthed. I must say, however, that Labour Members are trying to sit on the fence for as long as is physically possible, in spite of repeated interventions from their own side. At some point, they will have to jump in one direction or the other. It must be getting very uncomfortable for them, sitting on that fence. The longer they sit on it, the sharper and more uncomfortable for their back sides it will become. At some point, they are going to have to jump. I hope that they will jump in the direction that they are being encouraged to do by some of their Back Benchers and by the Liberal Democrats, the Scottish National party, Plaid Cymru and the Green party—namely, in favour of staying in the customs union and the single market long term, not just as a means of massaging support over the next few months but in the long-term interests of the United Kingdom.

As I have said, I do not want to describe Labour Front Benchers as mealy-mouthed, but there is clearly some difficulty with the position that the Labour party is trying to adopt, and I would like some clarity on this. Labour Members say that they are interested in preserving jobs, for instance, and I wonder what work they have done to assess the impact of a substantial number of job losses in the transport industry. A lot of goods are transported from the Republic of Ireland to Dover through Northern Ireland and the United Kingdom. Those involved are thinking of simply cutting out the rather complicated business of crossing the UK border altogether and instead shipping the staff straight from Ireland to, say, Cherbourg. That would result in the loss of many jobs in Britain along the way.

We have heard many references to the VAT change, which could affect between 100,000 and 150,000 businesses. Concern was expressed earlier that some larger businesses can be more aggressive towards small suppliers, but a lot of the businesses affected will be small businesses that suddenly find themselves in difficulties with their cash flow. I wonder what analysis the Government have carried out on that. I am afraid that, as in so many areas relating to Brexit, the answer is that there has been no impact analysis and that the Government are simply proceeding with these changes.

One of the key claims by the leave campaign was that leaving the EU was about cutting red tape. I would love the Minister to confirm that the measures in the Bill will cut red tape for businesses, but frankly I cannot see how businesses will benefit from a reduction in red tape in any shape or form as a result of this legislation. Instead, businesses that are not subject to red tape at the moment will have to take on red tape that they have never previously had to deal with. The Minister must at least try to address that point, given that one of the main claims made by leave campaigners was that leaving the EU would cut red tape for businesses.

We could talk at length about the delegated powers, as we have done on many other Bills relating to Brexit, but there is no point in rehearsing the arguments that have been made on those Bills, because the Government are clearly intent on taking advantage of the situation and cutting Parliament out of the loop as much as possible.

If the Government want to proceed in the way that they are doing at the moment, trade remedies will be essential. Members will be aware that trade remedies are currently implemented by the EU, which has more than 100 such measures in place against imports from 25 countries. To what extent does the Minister expect those measures to be replicated? Also, does he believe that it will be possible for the UK, operating alone, to have more effective trade remedies than those currently implemented by the EU with its 28 member states? Again, we need clarity, honesty and accountability. We need to hear from the Minister whether he thinks that the trade remedies available to the United Kingdom on its own will be weaker and less effective than what is currently available to us as a member of the European Union.

I welcome the fact that the Government will legislate to ensure that we can maintain a system of trade preferences for developing countries. I have already referred to the VAT issue and to the impact on red tape. I hope that the Minister can confirm that the Bill will have no red tape implications, although it is hard to see how he could possibly do so. [Interruption.] Would my hon. Friend the Member for Edinburgh West (Christine Jardine) like to intervene on me?

Christine Jardine (Edinburgh West) (LD) indicated dissent.

Tom Brake: No. Okay. I thought my hon. Friend was poised to come in with a trenchant point. I am sure that she has one, and that she is saving it up till later.

The Government have brought forward a Bill that is needed simply because they have chosen to adopt one of the more extreme Brexit options open to them: settling for no deal whatsoever or coming out of the customs union. In those circumstances, it is clear that they will need to provide the legislation that is set out in this Bill and that trade remedies will need to be in place. I have put to the Minister some specific questions about whether he can demonstrate that the Bill will not impose an additional red tape burden on businesses and whether the trade remedies that he is advocating in the Bill are
likely to be more effective for the United Kingdom than the ones currently available to us through the European Union. With that, I will happily sit down.

8.35 pm

Mr Marcus Fysh (Yeovil) (Con): I was hoping this evening that we might begin to get past some of the old arguments and debates over whether to leave the EU that we have been having ad nauseam over the past year and more, but it seems as though some people cannot understand that if we do not leave the single market and the customs union, we simply have not left the EU. It is by virtue of being a member of the EU that we are in the customs union, and we automatically leave it on the day we leave the EU.

The opportunities that are there for this country as a result of leaving the EU simply will not be there if we stay in the single market. The behind-the-border trade reforms that can give advantages to our service industries will not be possible if we do not have control of our own regulation, and being a member of the single market will obviate that entirely. Similarly, on the customs union or, indeed, a customs union, if we leave the control of our customs and trade policies with the EU, everybody would judge that to mean our not having left the EU. What we need, and what I have argued for consistently, is an advanced and modern form of customs co-operation that enables our trade to be as frictionless as possible. There will be frictions, however, and we should not shy away from talking about them. The Bill begins to allow us to have control over all the levers that enable us to put such things into place. This enabling legislation is vital so that we can have the systems that are required for things to operate properly on day one after we leave the EU.

I will certainly support the Bill’s Second Reading, which will give it this House’s support in principle. We have heard quite a lot of discussion about the different policy stances that the Bill will enable us to take up in future, and there will obviously be much more discussion about what our trade policies should be. It is entirely right that this should happen in this House in a constructive and, I hope, cross-party manner, because this is about our futures and those of our children and grandchildren, too.

I want to address a few of the things that have come up this evening. The point about VAT and cash flows is interesting and I have raised it before, and it is worth remembering that the EU is going through its own change process on VAT. It intends to impose a directive that will enable us to take up in future, and there will obviously be much more discussion about what our trade policies should be. It is entirely right that this should happen in this House in a constructive and, I hope, cross-party manner, because this is about our futures and those of our children and grandchildren, too.

I want to address a few of the things that have come up this evening. The point about VAT and cash flows is interesting and I have raised it before, and it is worth remembering that the EU is going through its own change process on VAT. It intends to impose a directive that would essentially mean that the country from which a good is being exported will collect the VAT at its own rate rather than have a good exported on a VAT-free basis and then get the receiving country to account for the difference after having collected VAT on receipt. That in itself will change a lot of the cash flows around intra-European trade, and it is worth examining more closely whether it makes sense in that context for us to think about having a system that enables us to collect VAT for each other in the future. I am not necessarily against being party to some sort of arrangement with the EU on VAT to enable that smooth process at the border to continue, but we need to look at it much more closely. I hope Ministers will give some thought to that and inform the House of their thinking.

We have also heard today about rules of origin, and it is right to raise that—I have previously raised rules of origin both in the International Trade Committee and in the Chamber. The hon. Member for Aberdeen North (Kirsty Blackman) made the excellent point that the cumulation of rules of origin is very important in any trade deal. We will have to think about those things anyway, and we absolutely have to think about them in the context of rolling over the trade agreements we already have by virtue of being in the EU. There is a lot of good will on the part of foreign nations that are party to those deals, but rules of origin will definitely have to be addressed in our negotiations with the EU.

As my colleague on the International Trade Committee, the hon. Member for Hornchurch and Upminster (Julia Lopez), said earlier, tariff-free quotas are also important in that context, and the EU has to think about that. When it comes to rules of origin, we also have to remember that our supply chains are highly integrated, and it is not as simple as saying that we just cannot trade with the EU anymore. It would also be very damaging for the EU, as having to find suppliers that are not part of our supply chain would create a lot of pressure on EU businesses, and it would create a lot of pressure on the EU to find resource from within its own economies to meet those supply chain needs. That is not something the EU would want.

Christine Jardine (Edinburgh West) (LD): The hon. Gentleman is talking about European suppliers needing to find someone to supply, and about companies in this country needing to use such supplies. Is there not a danger that, particularly in the car industry where companies from other parts of the EU are currently in this country, we will lose viable industries? They will simply go where the supply chain is easier and where they will not be tied up in the red tape proposed in this Bill.

Mr Fysh: The hon. Lady is right that, particularly in the car industry, rules of origin are an issue across the world. In the North American Free Trade Agreement, for example, the ability of US and Canadian car manufacturers to integrate their supply chains makes a big difference. Under the Trans-Pacific Partnership, which the Canadians are considering re-entering in a modified form, rules of origin on cars are probably one of the main determining issues. The degree to which local content needs to be demonstrated is a major factor.

Among other things I hope that, through this process, car manufacturers will look at sourcing more UK content in order to raise the proportion sourced in the UK, or indeed in the EU. It is all to play for, and there are lots of different ways of organising it. I would not necessarily say it is impossible or too hard but, yes, it needs to be thought about.

In that context—I have also said this before—the Customs Declaration Service that HMRC is working on has to be flexible enough to change the values that are put into the system. Whether on VAT, import duty or the cumulation of rules of origin, we need to make sure the system is able to be changed flexibly and easily at a later date. If that is not the case, this will be a nightmare and we will have a computer system that fails. I hope HMRC is well aware of that fact and of the need for that flexibility.
We have also heard about trade remedies, and it is right to say that the Trade Remedies Authority needs to be put in place very soon. The sooner it can get on with doing the work of analysing what the competitive position in various of these industries where existing or potential future remedies are going to be needed, the better; that has to be done with a good lead time in order for us to be able to argue at the WTO that we should potentially think about renewing trade remedies or putting new ones in different industries in place.

We also heard a little about lesser duty. It is fair to say that the lesser duty provisions in the WTO agreements are there for a reason: to try to prevent an arbitrary and egregious application of trade remedies. However, we need to make sure that we use our opportunities arising from coming out of the EU to make these arguments for how the global trade system should work in a non-egregious and non-arbitrary way, one where we can have rational dispute resolution mechanisms for our trade.

Having said those things and having said how necessary this Bill is, I must say that I have some concerns about the text, which I would like to discuss with Ministers and think about during the later stages of the Bill. I am concerned about clause 42, which deals with the EU law relating to VAT, and the potential for statutory instruments to be brought forward to alter the rights, remedies and procedures which have been imported by virtue of the European Union (Withdrawal) Bill. Similarly, I would like more clarity on clause 47, which deals with EU law relating to excise duty. We need to think a bit more about it, because it seems to give the Treasury and Treasury Ministers the power to alter fundamental concepts of EU law and the application of it in the future.

We also heard about clause 31, which relates to the potential implementation of a customs union, with fairly draconian Henry VIII powers. Admittedly they are subject to an affirmative procedure in the House of Commons, but it would be worth knowing a bit more about what the intent of this is and exactly how it would operate. Overall, we need to make sure we use this opportunity and this Bill to get a positive new customs co-operation system in place with our EU friends and allies. What we want is a good relationship with the EU, and it does not have to be at the expense of the rest of the world. This is not an either/or situation. I have heard many commentators say that if we are not part of the EU, we cannot do anything with the EU and that all the other deals we might do around the rest of the world cannot replace that. That is a false argument because we are looking to build on what can be as near as possible to our current relationship with the EU, and if we can do that really well and are smart about it, we can make a great success of leaving the EU.

8.48 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Ga’i ddymuno blwydyn newydd dda i chi—may I wish you a happy new year, Mr Speaker?

I wish to confine my remarks to three key points. First, I wish to add my voice to those calling for our continued membership of the largest trading bloc in the world. Secondly, I wish to outline the concerns from Welsh ports, which would face immediate challenges to their existing position as a result of changes to our customs arrangements. Thirdly, the weakness of this Bill’s ability to protect our vital industries will form the final part of my speech, and we have heard many interesting contributions on that point already.

As promised, I wish first to reiterate to the British Government the illogicality of, and harm they will cause by, ripping us out of the customs union. A student of GCSE economics could explain the foundations of international trade as laid out by David Ricardo. His theory of comparative advantage is not complex to grasp. By specialising in particular industries, combined with free international trade, all nations will see positive results. The premise is simple: rather than creating a range of mediocre products, the highly specialised industries of each nation produce better goods, which are then traded internationally, satisfying domestic demand for the products made in other nations. Whether we agree that this commercial international order should be our goal or not, it has underpinned our economic approach to trade for centuries.

International marketplaces have moved on from Ricardo’s time. Instead of cloth and wine, the modern economy trades aeroplane wings, specialised steel products and microchips. To account for this complexity, policy makers have created institutions to manage commerce.

The European customs union is the greatest example of one such institution. By removing physical and financial barriers to trade, it has created the largest, richest, most powerful network of free-trading states in the world. As a result of our membership of the customs union, Welsh businesses can trade on a completely unfettered basis within the bloc, gaining access to 600 million consumers.

As a trading bloc, the EU customs union also applies a common external tariff on entering the bloc, and we should remind ourselves of the extra costs that will hit our exporters if we are no longer members and have no agreement on future tariffs. Carmarthenshire is known for its agricultural produce, so it is worth putting it on the record that the tariff for animal products can be more than 138%, with an average of 20%; the maximum tariff on dairy products can be as much as 134%, with an average of 45%.

I could also point to other major employers in Carmarthenshire who manufacture component parts for export and will obviously follow the upcoming negotiations with great interest. We should not be under any illusion: if it becomes burdensome, financially or through regulation, for those companies to move their goods, they will relocate. Our membership of the single market and the customs union has been invaluable in securing valuable foreign direct investment in areas such as my home communities in the Amman valley.

Before I am accused of scaremongering, today’s shambolic reshuffle was trailed in the press over the weekend as a reorganisation to prepare for a no-deal scenario. The 27 members of the EU are not the only ones with whom we will lose our existing free-trade arrangements. Sixty-seven countries have agreements with EU customs union members which must be grandfathered, although there continues to be some dispute about whether that is possible. The issue will be discussed in greater detail tomorrow when we deliberate on the Trade Bill.

By pulling my nation out of the European customs union in search of some false free-trade, low-tariff Brexit nirvana, the British Government risk the jobs
[Jonathan Edwards]

and wages of my constituents. The Minister will undoubtedly claim that this is the will of the people. We can of course engage in a tit-for-tat argument over whether that is the case. However, that denies him the opportunity to outline the purported benefits of the British Government’s approach. For that reason, I ask him the following: if certainty is his aim, and the status quo is certainty, why is rolling the dice on more than half our imports and exports a good idea? Why is he gambling away my constituents’ jobs and wages? Why is he pulling us out of the customs union at all?

I also implore Labour Front Benchers to come to their senses. The constructive ambiguity of the Labour party’s Brexit position may offer marginal electoral advantage, but it provides the silver platter on which the Tories can serve up an extreme and damaging Brexit. Rather than playing hokey cokey with the single market and customs union, I ask Opposition Members to join us and take a clear stand to say we are better off in these great European economic institutions. Let there be no mistake: the Tories can deliver their current policy of an extreme Brexit only because the position of the Labour leadership is to leave the single market and the customs union after the transition phase.

Kirsty Blackman: Does my colleague agree that Opposition Front Benchers are not supporting a jobs-first Brexit? If they wanted a jobs-first Brexit, they would keep us in the single market and the customs union.

Jonathan Edwards: I am grateful for the intervention, and am aware that during the debate many honourable colleagues on the Labour Back Benches have made that exact point and implored Front Benchers to change their position. Some very interesting reports are coming out of the parliamentary Labour party meeting this evening.

Before the recess, the tangible and immediate chaos created by pulling us out of the customs union was vividly illustrated. The Prime Minister’s attempts to conclude phase 1 of the negotiations were almost scuppered by the issue of customs borders on the island of Ireland. Others will be able to expound with greater invested passion why no such border should exist. However, I would like to raise my concerns about the sea border that my nation shares with Ireland and thus the EU.

Wales and its ports are intimately linked with Ireland. Holyhead, Fishguard, and Pembroke Dock are vital trading links between Wales and the Republic of Ireland. Holyhead is the UK’s second largest port. In excess of 400,000 trucks pass through it every year. A hard maritime border between Wales and the Republic of Ireland will inevitably hit Holyhead hard, and I ask Ministers to read the excellent article of 4 January by my former university lecturer, Professor Richard Wyn Jones, on this specific issue facing Holyhead and his native isle of Ynys Môn, or Anglesey. In Holyhead there is simply no space in or around the port for the kind of infrastructure that will be required to process the number of lorries and trailers that currently pass through it. A hard border in Holyhead can yield only chaos. The same problems apply to Pembroke Dock and Fishguard.

The inevitable consequence of physical constraints in and around the ports is that freight will need to find ways to bypass Holyhead and Wales, especially if there is a soft border between the British state and the European Union in Northern Ireland. Without trade arrangements that mirror the outcomes of what we already have, Welsh ports will be in danger of becoming uncompetitive. With the intention of pulling us out of the customs union, the Bill and the actions of the Minister make it clear to the people of Holyhead that the Government consider their livelihoods to be dispensable.

Finally, I would like to highlight the concerns of an industry central to and symbolic of the Welsh economy—the steel sector. Primarily its concerns centre on trade defence provisions. These are found in clauses 13 and 14 and schedules 4 and 5. I am sure the Minister will have seen last week’s letter in the Financial Times from almost a dozen industry and union representatives highlighting the fact that these clauses “set up a lighter-touch approach to illegal dumping by China and others than in the remaining EU and any other major economy.”

In the lead-up to the referendum, the exact opposite was promised by the leave side. In an ITV Cymru debate I took part in, Mr Nathan Gill from UKIP, speaking on behalf of the leave side, promised that a British Government freed from the shackles of Brussels would be able to impose prohibitive anti-dumping duties on China. I am sure that that clear promise influenced votes in some communities in south Wales. When he uttered those words, we know the British Government were selling the Welsh steel sector down the river. In March 2016, the British Government blocked attempts to strengthen EU trade defences against imports of cheap Chinese steel that devastated Port Talbot steelworks and took it to the brink of collapse—as we heard from the hon. Member for Aberavon (Stephen Kinnock) earlier. Yet again, it seems that the Government have little concern for steelworkers, preferring to seek dodgy deals with Trump’s America and cosying up to Beijing to protecting Welsh jobs and wages.

Fundamentally, the Bill would be wholly unnecessary, and its deficiencies of no concern, if the policy of the British Government followed the sensible path of remaining a member of the European customs union. For this reason and other reasons I have outlined, my Plaid Cymru colleagues and I will refuse to give the Bill a Second Reading and will vote against it tonight.

8.57 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): I am delighted to speak in favour of the Bill as it provides the next pillar to support the UK’s exit from the European Union. Free and fair trade is fundamental to the growth and prosperity of the United Kingdom and the world economy. Trade with our neighbours near and far is intrinsically linked with jobs, wage growth, productivity and innovation. Trade ensures that more people can access a wider choice of goods and services, hopefully at a lower and competitive cost, and can make household incomes go that bit further.

As we prepare to leave the EU, we are beginning to chart our new course, remaining—as we have always been proud to be—an outward-looking, internationalist nation, and identifying new opportunities with potential trading partners around the world. The UK’s trade with the world is equivalent to over half our GDP. We must therefore do everything that we can to ensure that trade can continue and that all the necessary arrangements
are in place after we have left the EU. We need customs, VAT and excise arrangements to support us in both our existing and future trading missions.

Let us be absolutely clear: the decision by the British people in 2016 to leave the EU was one to remove us from all aspects of the EU, not to cherry-pick the ones we want. Indeed, 27 other countries would have a say about any cherry-picking we indulged in. Our departure from the EU includes leaving the customs union. Opposition Members would ignore or put aside the decision by the people of the UK and claim that the country could somehow magically retain its membership of the customs union. This Government have made it crystal clear that the UK will leave the customs union. Anything less would be viewed as a betrayal of the millions of people across the country who voted leave—I am not one of them; I voted to remain—and now expect us in this place to carry out that decision. I hope that those voters will be encouraged by the Government’s steps to implement our own independent arrangements, including on trade, and will feel that real progress is being made towards our exit from the EU.

I would like to deal briefly with an issue of huge importance to businesses in Ayr, Carrick and Cumnock, and indeed beyond—throughout the whole United Kingdom. Business after business in my constituency stresses the same thing: the need for clarity and certainty so that they can begin the process of planning for their futures, and the futures of their staff, suppliers and customers. This Bill takes steps to address their concerns.

Customs and excise are complex issues, and I am not an expert in them, but I understand that more than 17,000 types of goods must be classified, and I am sure that my hon. Friend talks about cliff edges. Does he, like me, find it ironic that the Opposition parties that will vote against the Bill’s Second Reading are creating the very cliff edge that our constituents—business operators, directors and entrepreneurs—do not want? That is exactly what Labour and the SNP will be doing by voting against Second Reading.

Stephen Kerr: My hon. Friend talks about cliff edges. Does he, like me, find it ironic that the Opposition parties that will vote against the Bill’s Second Reading are creating the very cliff edge that our constituents—business operators, directors and entrepreneurs—do not want? That is exactly what Labour and the SNP will be doing by voting against Second Reading.

Bill Grant: I share my hon. Friend’s view about the pessimism of some Opposition Members, albeit not all. The last thing that we need is to talk down the United Kingdom and our business communities. At this time, they need our support. We do not need a cliff edge for business in the UK, as well as those in the EU with which we trade.

The next few months will be crucial, and I am sure that the UK’s negotiating team in Brussels will do all it can to agree to the principle of an implementation period. The one thing this Bill must not do is limit our ability to negotiate a future trade agreement with the EU. All options must be on the table for our negotiating team to secure a future trade agreement.

Whatever the future arrangements—we do not know what they are; no deal has been struck and the die has not been cast—at the heart of the UK’s trade policy must be a continued commitment to rules-based free trade. The UK has long led the world in this area, from early trading days with sailing ships such as cutters—[Interruption.] I was thinking more of the Cutty Sark.

We have played a leading role in organisations such as the International Monetary Fund and the World Bank. We in Scotland have made an immense contribution to the UK’s trade across the world, for instance with our shipbuilding. We have done very well. We have sailed the world—I shall never forget it—and our most successful days are ahead as we remain part of the United Kingdom.

Our future trading arrangements with Europe have immense possibility. The UK starts from an unprecedented point of alignment, and I would like both sides to take this opportunity to design a customs arrangement that is both ambitious and innovative. This is not a one-way street; it is a two-way street with many movements on it. Let us imagine the Prosecco producer in Italy, the wine producers in France and Spain, the flower growers in Holland—[Interruption.] Yes, there is whisky, but we are leaving; I am thinking of the ones who remain, such as the car manufacturers in Germany and Spain. They will want a frictionless, seamless arrangement. Let us never forget that the United Kingdom is a good country to do business with. These people, among many others I could mention, will want to continue to do good business with us.

Wera Hobhouse: Does the hon. Gentleman not understand that the most important thing for the EU is to maintain its integrity? If everybody would get a better deal by leaving the EU, as the UK thinks it will, everybody would leave. That is exactly why the EU wants to protect its union. Does the hon. Gentleman agree that that is the first thing the EU will have in mind?

Bill Grant: I thank the hon. Lady for that intervention, but I think she missed the point of what I was trying to say. This is a two-way street. In fact, the trade deficit is in favour of the EU. I think that we will wish to work together as nations. Although we are leaving the EU, we are not falling out with the EU. We have made a choice. We are leaving, but we want to be friends. Basically, I was saying that the EU will wish to remain our friend for a whole range of reasons.

Above all else, the needs of businesses throughout the UK must be prioritised, which means that we must have a customs arrangement that is both highly streamlined and compatible with our colleagues in European nations. We should not create differences. We have decided to leave—[Interruption.] We can replicate and mimic, but Opposition Members forget to tell us the baggage that comes with membership of the customs union. We cannot cherry-pick: European colleagues—friends of Opposition Members and friends of mine—will not allow that.

The Bill will ensure that the UK can continue to operate as an outward-looking nation after we exit the EU, leaving open options for the Government’s implementation of an effective future trade policy. I have heard repeatedly the pessimism of some Opposition Members, although not all. They are so pessimistic and willing to talk down our businesses, capabilities
and competences, and our willingness to innovate and to succeed. We will succeed and we will honour the referendum. The world truly is our oyster and we shall succeed. For that reason, I am delighted to support the Bill.

9.6 pm

Stephen Kinnock (Aberavon) (Lab): It is a pleasure to follow the hon. Member for Ayr, Carrick and Cumnock (Bill Grant), even though large parts of his speech were based on magical thinking.

I rise to address schedules 4 and 5, which propose the introduction of a new post-Brexit trade defence regime. Trade remedies enable countries to defend themselves against underpriced and state-subsidised goods, so they play a pivotal role in the rules-based WTO system. Governments would never have agreed to the radical trade liberalisation of the past half-century were they not reassured that they could act to stop in and defend their industries, if necessary. Trade defence remedies have therefore played a central role in tearing down the walls that prevent free and fair trade. How ironic, then, that this Bill is the work of a Conservative Government. The party that claims to be the voice of enterprise, free trade, business and industrial strategy has produced a Bill that, if passed in its current form, would fatally undermine the British manufacturing sector.

To illustrate my point, I wish to focus on what the Bill, in its current form, would mean for the British steel industry, which is centred on the Port Talbot steelworks in my Aberavon constituency. Over a third of the EU’s 92 trade defence instruments relate to steel, and over the years those 30-odd measures have played a vital part in stemming the flow of the dumped Chinese steel that almost led to the total collapse of the British steel industry. The Chinese Communist party owns 80% of that country’s steel industry. The party subsidises the industry to the hilt and sells the steel at well below cost on the global market. It is a well-established strategy that the Chinese state pursues relentlessly and ruthlessly in its bid to extinguish all competition and establish monopoly status.

The all-party group on steel’s “Steel 2020” report, which was supported and signed by Members who now serve in government, concluded that trade defence instruments exist not to unfairly protect certain sectors of the economy, but rather “to support the free, fair and efficient functioning of the market.” I will certainly not stand here and claim that the EU’s trade remedies regime works perfectly; it does not. It has often been too slow and bureaucratic, and it has unfortunately been hamstrung by the lesser duty rule. The fact of the matter is that the European Commission acts on behalf of 28 member states and 500 million consumers, so when it threatens action, even behemoths such as China sit up and take notice. It is therefore no exaggeration to say that were it not for the anti-dumping measures taken by the Commission at the height of the steel crisis, our precious steel industry would probably have gone under.

I speak today not only to raise concerns about the Bill’s implications for our steel industry, but to highlight the fact that this is about the future of our entire manufacturing sector. Indeed, the chief executive officers of the British steel, paper, ceramics, minerals and chemicals associations, along with their trade union counterparts, put it very well in their letter of 5 January to The Financial Times. They said:

“Without a robust approach to trade remedies the UK government will be unable to achieve its international trade or industrial strategy ambitions. The UK’s manufacturing base and tens of thousands of jobs around the country…will be at risk if parliament gets the bill wrong.”

I say to hon. Members on both sides of the House that if they have any form of manufacturing in their constituency, the Bill really matters to them.

As an MP who represents a constituency whose local economy relies almost entirely on manufacturing, I desperately want the Government’s industrial strategy to succeed, but the fact is that it will not be worth the paper it is written on if it is not underpinned by a robust trade remedies regime. It is in that constructive spirit that I urge the Government to undertake a radical rethink of schedules 4 and 5, with particular reference to five issues. First, the Bill contains very little detail about how the post-Brexit trade remedies regime will operate in practice. Instead it enables the Secretary of State to legislate for all-important details through statutory instruments. That really matters not only because it is yet another example of Ministers attempting to sideline Parliament, which has become a recurring theme of this whole Brexit process, but because there will be deep and widespread industry uncertainty until the secondary legislation is in place. Labour Members have raised the issue of steel in this place more than 300 times since 2015, but if this Bill passes in its current form, steelworkers and their families can kiss goodbye to the idea that they will have a voice in Parliament standing up for their interests and fighting their corner. We will not be able to do so because all the key decisions will be taken behind closed doors and implemented by statutory instruments.

Secondly, it is imperative that the Bill includes a cast-iron commitment to scrapping the lesser duty rule. This Government have been the ringleader of attempts to block EU moves to reform the rule, which means that we have only been able to impose tariffs of 13% to 16%, whereas the Americans, for example, can impose import duties of over 200% on dumped Chinese steel. An unreformed lesser duty rule must not be retained in UK law. We therefore call on the Government to state precisely how they intend to calculate the margin of injury to ensure that the process is at least as robust as the reformed EU system, and to lay out all that detail in the Bill.

Thirdly, the economic and public interest tests would create an unnecessarily high barrier to introducing any form of trade defence. None of those tests is required under WTO rules, so why are the Government intent on placing multiple obstacles in the path of an industry that wishes to file a complaint?

Fourthly, we need changes to the proposed remit and composition of the Trade Remedies Authority, bringing it in line with global norms and ensuring proper representation of trade unions and industry. Fifthly, the Bill must be amended to ensure that British courts are able to correct decisions made by the Government that deny British industry WTO-compliant rights that our competitors across the world enjoy. Without those changes, the Bill will fail in its essential task of establishing a fit and proper trade defence regime.
Once we have decoupled ourselves from the EU’s trade defence regime, it is simply beyond debate that we will have less leverage. Therefore, if anything, the post-Brexit trade defence regime that we create must be far tougher and more robust than the one that we have left. That is why we simply cannot allow schedules 4 and 5 to pass unamended. Unless the Bill is amended, it will deny us even those scant protections. For that reason, I urge hon. and right hon. Members to join me in the Lobby to amend and fix this broken Bill.

9.15 pm

Jack Brereton (Stoke-on-Trent South) (Con): I agree with a number of the comments about trade remedies in relation to the ceramics industry, but I will touch on that later.

It is essential in leaving the EU and the EU customs union that we develop our own customs regime. It will put in place the foundations for the negotiations on leaving the EU but does not predetermine them, allowing the flexibility needed as with any negotiating process. I hope that we secure the best possible Brexit deal. But whatever the outcome may be from those negotiations on future customs—deal or not—it is essential to have legislation in place on the UK statute book when we leave. It is important that we have the strongest hand possible in the negotiations, with the powers in place as required to adapt the UK system to fit with the outcomes from the negotiations.

It is clear that we need to maintain certainty for our businesses, ensuring initially that there can be parity as far as possible between the existing EU customs union and the new regime developed for the UK, creating a smooth transitional period. This must be based on the continued strong support for rules-based free trade and the structures of international institutions set out particularly through the World Trade Organisation. An independent customs policy will allow us to pursue policies that are in the best interests of UK trade and our own economy, and in the interests of my constituents in Stoke-on-Trent South. We are clear on these Benches about our policy on trade and leaving the customs union. This is in stark contrast to the concoction of views from the Opposition Benches.

This is what my constituents voted for when they voted 70% to leave. They wanted to see a change—not just in leaving the EU, but in pursing our interests more effectively around the world and supporting all our communities to become more prosperous. Businesses in Stoke-on-Trent South, where we have a significant manufacturing base, see huge opportunities for developing new trade links outside the EU, and leaving the customs union will enable this. There is significant potential to grow our export markets in order to sell some of the fantastic products that we produce to countries such as the United States, Japan and other developed market economies around the world.

For manufacturing and specific industries such as ceramics in Stoke-on-Trent, it is critical that we have the right trade policies in place that support a robust trade remedies regime. This is about ensuring a level playing field for these industries, continuing the anti-dumping measures already put in place by the EU that have allowed industries such as ceramics to stabilise. I was pleased by the assurances given to me by the Secretary of State for International Trade when he visited my constituency that the current measures in place within the EU will continue post-Brexit.

Where we face unfair competition from state subsidisation in non-market economies such as China and others, resulting in huge overproduction, we need to ensure that it is not possible for below-value products to be dumped into the British market. Just to reflect on the vast scale of these distortions, there is currently an overproduction of tiles in China that is six times the entire EU annual demand. This puts at risk jobs in Stoke-on-Trent and other manufacturing industries across constituencies such as ours. To ensure that there can be real free trade, we must ensure that in leaving the EU there continues to be an effective trade remedies framework that aligns well with other WTO members.

In all, it is essential that the Bill is accepted by the House today to ensure that we have the necessary legislation in place when we leave the EU, with the flexibility to support our negotiations and a new tariffs regime that is in the national interest.

9.19 pm

Angela Smith (Penistone and Stocksbridge) (Lab): It is a pleasure to follow the hon. Member for Stoke-on-Trent South (Jack Brereton) and, preceding him, my hon. Friend the Member for Aberavon (Stephen Kinnock), both of whom represent industries that are also very important to my constituency—steel and ceramics. I join them in pursuing a robust trade remedies mechanism, and in agreeing particularly with my hon. Friend that there is much work still to do to make sure that we get this right. I also join my hon. Friend in being very clear that we are talking about a level playing field and not protectionism. I think that on the Labour Benches there is considerable support—I hope universal support—for genuine free trade. Protectionism is not the way forward if we want to grow economically and play our part on the global stage.

This Bill, if passed, will fundamentally change our relationships, whether for good or bad, not just with our closest trading partners but with countries across the world. The EU customs union is without question one of the key pillars supporting the largest free trading bloc in the global economy—a bloc that in 2016 accounted for 43% of our exports and 54% of our imports. Yet we are debating a Bill that, in effect, confirms the Government’s intention to take us out of the customs union—a mechanism that is, or has been, integral to delivering our current trading profile. The Government are doing this despite the fact that leaving the customs union could cost the UK an estimated £25 billion every year until at least 2030.

Leaving the union will also further complicate our key trading relationships by necessitating customs declarations for EU trade. The National Audit Office estimates that the number of declarations per year will increase from 55 million to 255 million if the UK leaves the customs union. Sometimes one has to lay down the statistics as barely as that, because this is what it all means. We have to see the global impact of the decisions that we are taking here in this Chamber.

To put into perspective what is at stake, it is worth looking in a little detail at the food and drink sector, which is the largest manufacturing sector in the UK economy. It is an industry worth more than £100 billion to the UK economy. In 2015, UK food exports to the EU were worth £11 billion, while food imports from the EU were worth £28 billion. The British Retail Consortium
has established that the average tariff on food products imported from the EU could be in the order of 22%, with tariffs on Irish cheddar, for instance, being as high as 44%. I will not go into the detail of the Environment Secretary’s view on what we should do about that; one is reminded of “Wallace and Gromit” as much as anything else. The overall impact of that tariff—the Environment Secretary could not answer this point at the Select Committee—could be an increase in cheese prices of between 6% and 32% for consumers in this country. This is about workers’ rights but it is also about consumers. It is about the impact on the prices of everyday food staples, and on consumer choice.

The food and drink sector relies on the efficient, just-in-time movement of goods between EU countries in the context both of finished goods and the industry’s complex supply chain arrangements, which my hon. Friend the Member for Nottingham East (Mr Leslie) mentioned. This is not just a “nice to have” arrangement; it is an essential part of modern manufacturing processes. Just-in-time delivery not only ensures high quality, especially of perishable goods—the freshness and quality of the products on the shelf—but is very important for customer service. It is the same in the steel industry: in my constituency, just-in-time delivery of supply chain components and of products out of the plant is just as important for customer service as the quality and standards of the goods.

The next-day delivery of highly perishable produce—this is particularly pertinent to the food industry—is currently possible, yet the Bill threatens to put up barriers to this remarkable aspect of modern-day European Union trade. It is therefore imperative that the frictionless movement of goods across our borders remains in place, especially as far as the land border with Ireland is concerned. Anything else will have a seriously detrimental effect on the food and drink industry.

Equally, the lack of a commitment in the Bill to remain in the EU VAT area may mean that UK businesses face cash-flow issues, as well as customs delays, at the border. Many other Members have mentioned that today, but the point cannot be reiterated frequently enough, because it is so important. UK businesses are incredibly worried about the impact on cash flow if we get this wrong.

This is the wrong Bill. There is no doubt in my mind that this should have been a Bill that confirmed an intention to keep us in the customs union to secure our economic future. While the country may have voted to sever its political union with the European Union, it did not vote to leave the customs union. I know that view has frequently been challenged by Government Members today, but I repeat the point that membership of the customs union and the single market was not on the table. Many Members have identified, will be critical in establishing the framework within which that trade is conducted. It is of huge significance to my constituents in Middlesbrough South and East Cleveland and for the people of Teesside as a whole. I never forget that the north-east is the only net exporting region of England. In that regard, there are two main elements that I want to address tonight. The first is trade remedies, which are vital for the UK and Teesside steel industries, and the second is the special customs procedures that will be central in allowing Teesside to fulfil our ambition to host the first free port in the UK after Brexit.

Turning first to steel, as we know, the past two decades have been extremely challenging for the industry. Most recently, a combination of a surplus of global production, shamelessly exploited by the Chinese to dump steel, and our high domestic industrial energy costs led to the crisis experienced by the industry in 2015, but the steel sector remains a cornerstone and an enabling sector of our wider economy. The Government’s own study of the future of the industry estimates a massive £3.8 billion opportunity in steel demand by 2030. That progress, however, depends in large part on having a strong trade remedies regime, which brings me back to the Bill.

I am a passionate advocate of free trade, but free trade does not mean trade without rules. State-subsidised exports and those dumped at artificially low rates are a distortion of the free market. Steel producers, as people in Redcar and Cleveland know only too well, are particularly vulnerable to unacceptable trade practices. As the hon. Member for Aberavon (Stephen Kinnock) identified, more than one third of the 92 EU trade remedy measures currently in place appertain to steel. It is therefore critical that our post-Brexit trade remedies framework is robust and firm. On the whole, I am confident that the Bill will deliver that, but there are three areas where I believe improvements could be made.

Given that the Financial Secretary has already been generous enough to meet me before Christmas and that the Minister for Trade Policy has agreed to meet me
later in the week, I will limit myself to touching on those areas in outline. First, there is the broad lack of detail. For example, there is currently very little detail of how investigations by the Trade Remedies Authority will be conducted and remedies applied. There is also uncertainty about how injury to producers will be calculated and quantified. Finally, the Bill enables the Secretary of State to overturn TRA recommendations on the grounds of public interest, but it is not yet clear how that public interest will be defined. I urge Ministers to put more detail into the Bill where possible. Where such technical details would be inappropriate, I encourage them to publish secondary legislation as soon as possible, even if only in draft. Although I appreciate that some of the finer details may depend on the outcome of the negotiations, some clearly do not.

Secondly, although it is entirely reasonable that an economic interest test is conducted by the TRA prior to the recommendation of definitive measures, it is not clear why such a test is required before the recommendation of provisional measures. My concern here is time. The reason provisions measures exist at all is that trade investigations can necessarily be lengthy and it may take some time before the authority reaches a definitive decision. It is possible that a great deal of damage could be inflicted on our domestic producers before a definitive investigation could be completed. Will the Minister therefore agree to review the extent to which the economic interest test may delay provisional measures, especially those safeguarding against a flood of exports?

Finally, the Bill states that the TRA will be unable to open an investigation if the UK market share of a domestic industry filing a complaint is below a certain threshold, which is as yet unspecified. That provision will leave many producers uncertain whether or not they fall within the scope of the Bill’s protections. In addition, while I understand the rationale for requiring a threshold in theory, I am concerned that a too onerous threshold could serve to undermine the World Trade Organisation right for infant industries to seek protection and also to prevent industries that mainly export from seeking relief.

The special customs procedures outlined in the Bill will be central to allowing Teesport to fulfil its ambition of being the first major free port in the UK. A free port, for Members who are not aware of the concept, is an area that is physically within a country but legally outside it for customs purposes. Goods that enter a free port do not incur import duty. Instead, import duty is paid only when goods pass from the free port into the domestic economy. The hon. Member for Redcar (Anna Turley), who is not in her place but it is so good to see her back in the House today, made a very good case for why Redcar and, by extension, Teeside are so well qualified to host the first free port in the UK after Brexit.

Worldwide, there are approximately 3,500 free ports located in 135 countries. We do not have any. Our membership of the customs union and the stringent state aid regime have acted as a block on their creation. Brexit therefore presents a fantastic opportunity to introduce free ports in the UK.

Teesport handles more than 5,000 vessels each year and about 40 million tonnes of cargo on an estate covering almost 800 acres. Situated immediately adjacent to the mayoral development corporation, Teesport is undergoing huge investment to prepare it to rival the largest ports in Europe. It has all the qualities that will allow it to prosper as an international hub for trade and supply chain processing. A free port at Teesport would aid the Government’s wider objectives of rebalancing the economy from south to north and from the service sector to manufacturing.

To that end, I am pleased that the Bill makes express reference to free ports and sets out the regulatory framework under which a free port would operate. My only request to the Minister is to provide additional clarity on paragraph 9 in part 4 of schedule 2, which states that processing in a free port could take place only if “the processing of the…imported goods…results in the production or manufacture of other goods in which the imported goods can be identified”.

I would be grateful if the Minister gave examples of which manufacturing processes would and would not be permitted under that definition. That is important because it will mould the future shape of free ports in this country by determining the extent of the economic activity that may take place within them. To my mind, it is important that at this early stage, we maximise flexibility so as not to unduly hinder the new and unique opportunities that an independent trade and customs regime will bring.

9.36 pm

Phil Wilson (Sedgefield) (Lab): Any changes to taxation on cross-border trade between the UK and the European Union after Brexit will inevitably lead to some friction for companies exporting to or importing from the rest of the EU. Whatever scheme is negotiated—if, indeed, any is—it will inevitably lead to greater costs and more bureaucracy.

As an EU member state, we are part of the customs union and the common external tariff, because of which goods produced in the EU are not liable for further duties as they cross either way over the border between the UK and the EU. After Brexit, businesses will be required to make customs declarations on trade between the UK and the EU. HMRC estimates that the number of customs declarations will increase fivefold from the current 55 million to 255 million when we leave the EU and that the number of businesses going through the customs process will increase from 170,000 to 300,000.

The existing declarations system is 25 years old and is to be replaced. The new system, known as the customs declaration system, which was originally designed to accommodate changes to EU customs legislation that take effect in 2020, will be available only two months before the Government’s proposed Brexit date of 29 March 2019 if there is no transitional period. The customs declarations system is part of changes to more than 250 existing projects—a crazy amount of work to overcome in such a short period of time. That presents a strong argument for remaining part of the customs union, at least for a transitional period. In my view, we should do so not only for a transitional period, but beyond it.

My hon. Friend the Member for Nottingham East (Mr Leslie) pointed out the importance of the EU VAT area, of which we are part. When we trade within the EU, it is effectively VAT free. If we leave the EU VAT area, companies will pay VAT up front at the borders, adding to bureaucratic costs and hitting the cash flow of many companies, especially those that are small or
medium-sized. That will be exacerbated further, given that many in industry believe that whole swathes of the SME sector are not prepared for what is coming down the road with Brexit. Large companies and multinationals are more likely to have the capacity to plan ahead and compensate, as difficult as that will turn out to be for many of them. They have the space to think strategically. Small companies think tactically about the next few months—about getting the next order out of the door.

For the 130,000 companies that will be dealing with customs formalities for the first time, not being part of the customs union will come as a shock to the system. In oral evidence to the Treasury Committee, Martin McGrue, the policy director for the Federation of Small Businesses, said that small companies will be less likely to be prepared:

“If the past is anything to go by, it will probably be the back end of 2018 before some people wake up to what is going to happen. If we are about to drop off a cliff in April 2019, they will be completely ill-prepared for that and it will almost certainly result in business failures.”

In my view, if that were to happen, it would undermine the SME sector, which is the engine room of the economy.

Nationally, 8% of all jobs are in manufacturing. In Sedgefield, it is almost 26%—one in four. Durham and the Tees Valley is a major location for business and science research and development. I want that to continue. That is probably one of the reasons why, according to a recent North East England chamber of commerce survey, 52% of north-east businesses want to remain in the single market and the customs union and 60% want to see at least a transitional period of three years; why 53% believe that the UK’s Brexit objectives should be revisited following the general election result; and why 54% disagree or strongly disagree with the statement that the best interests of business are being prioritised by the Government ahead of Brexit negotiations.

The customs union and access to the single market are important to the economy, especially in the north-east. Latest figures show that 61.6% of the region’s exports are to the EU. Some 75% of businesses in the north-east either sold or sourced goods from the European single market. This is obviously not an insignificant number. What bureaucratic and financial burdens are we placing on our industry with changes to our relationship with the EU? We must consider also that the UK has over 60 trading agreements with the rest of the world because of our membership of the customs union.

Some people say there are potential alternatives, but all will harden our borders, make them more difficult to navigate commercially and will not be as frictionless as they are now. We may do all we can to reinvent the wheel, but I believe we will find that whatever reinvention we come up with will not be as round as the original. I want to congratulate my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) on restating Labour’s position to remain as part of the customs union and single market for a transitional period, but it should not just be for the transitional period; it needs to be for good. If we want to end austerity, invest in our public services and protect and create jobs, we need to be in the customs union and the single market. For me, not to be in both and to have an anti-austerity strategy is dishonest and fantasy economics.

Sedgefield is home to the largest business park in the north-east. It is my duty to explain to my constituents what could be the repercussions of leaving the customs union, since many of their livelihoods depend on the consequences of Brexit, and I will continue to do so.

9.42 pm

Colin Clark (Gordon) (Con): It gives me great pleasure to follow the hon. Member for Sedgefield (Phil Wilson). To the relief of all Members, I will be mercifully brief.

The UK is an international hub for foreign direct investment and seeks to encourage international trade. Recent FDI figures show that the UK has had a record number of inward investment projects and created the second-highest number of jobs ever in 2015-16. The UK remains the No. 1 investment destination in Europe. Leaving the EU does not see the end of this attitude. On the contrary, it is the Government’s aim to continue moving forward with securing deals that will boost our trade relationships with our friends and allies.

The Bill seeks to create a lasting framework for the UK customs regime. It is therefore vital to businesses and jobs in all our constituencies. Many will know that the oil industry is very important to the north-east of Scotland. The importance of securing the best customs deal possible after leaving the EU is pivotal. Many of these businesses depend on international trade, and their future prosperity will rely on what trade deal we can secure moving forward. I think of companies such as Flowline in Oldmeldrum, where 60% of turnover is from exports, the STATS Group in Kintore, and the Hydro Group in the Bridge of Don, which exports umbilicals around the world. The narrative should focus not on the fear and uncertainty around Brexit but on the potential opportunities. Aker Solution, in Dyce, a Norwegian company, which sees the opportunities in the middle east, is investing in the United Kingdom. It probably does not give two hoots about the detail but expects us to be ready.

There is a multitude of opportunities for trade in a post-Brexit world, and the Government will ensure that our relationship with the EU in future is stronger than ever. They will seek to protect that relationship. It would appear, however, that those on the Opposition Benches are entrenched in their traditional positions. In opposing all things Brexit, Liberal Democrat Members are at least consistent: they want to ignore the vote, although, some 10 years ago, their former leader Nick Clegg called for an in/out referendum on the EU. They are, at least, open about their objectives.

The Scottish National party is very interested in any tax Bill. It likes raising taxes, saddling Scotland with the highest taxes in the United Kingdom, which, I fear, is not so good for business. SNP Members’ opposition to the Bill is based on the fact that the Government cannot give cast-iron guarantees, although they know that there are unanswered questions. That amazes me. Who would think that the SNP were so conservative as to hanker after the known rather than ploughing an independent furrow?

I listened with interest to what the hon. Member for Aberdeen North (Kirsty Blackman) said about the software required for the customs systems. As a recipient of the single farm payment from the Scottish rural payments service, I understand why she is concerned. The computer
system has cost £178 million to date, which is double what it should have cost. It still does not work after four years, and it has caused hardship. Perhaps the hon. Lady could have a word with Her Majesty’s Revenue and Customs to ensure that it does not buy its software system from the same company.

Meanwhile, Labour Members have myriad reasons for opposing the Bill, the main one being that we are not ready. They wish to block the legislation that will prepare us, although, as many Members have pointed out, it seeks to protect home producers against dumping, prepares ro-ro ports to be ready, lodging declarations at sea or before embarkation, and gives us the tools to deal with customs unions. Businesses want us to be prepared and employees want us to be prepared, so I ask Members to support the Bill tonight.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Last July, the North East England chamber of commerce—which represents about 3,000 businesses of all sizes across the region, and therefore several thousand more jobs—set out its five key priorities for the Brexit negotiations. Back then, it said:

“Uncertainty has been a condition that the business community and wider economy has had to deal with since the EU referendum. We need a positive and consultative approach to Brexit that causes minimum disruption to our businesses across the region throughout these negotiations and further.

This is particularly important for our invaluable international traders who are having to deal with fluctuations in sterling and potential changes to the way they may have to trade in the future.”

It went on to set out two of its five key Brexit priorities:

“A new trading relationship with the EU that gives our exporters frictionless and un-bureaucratic access to European markets”;

and

“A positive and consultative approach to Brexit that causes minimum disruption to business interests, particularly for those who trade overseas.”

It is difficult to emphasise enough just how critical achieving those priorities is for the economy of the north-east, which, as we heard from my hon. Friend the Member for Sedgefield (Phil Wilson), is the only part of the UK that consistently exports more than it imports. Some 61% of the region’s exports currently go to the EU, which makes it our largest market by some measure.

As the House of Commons Library has previously stated, the proportion in the north-east, along with that in Wales, is higher than in any other country or region in the UK. The north-east is therefore significantly exposed to the effects of a bad deal, and to the frankly unthinkable prospect of no deal at all.

What does the Bill actually offer to the north-east’s businesses, and, indeed, to businesses throughout the country, in terms of the ability to plan for the future? How will it help to deliver the frictionless and unbureaucratic two-way access to European markets and the minimum disruption which are needed by the north-east’s firms and the hundreds of thousands of jobs that they support, with many of the region’s exporters having EU-based firms as part of their supply chain? I do not know the answer to that, but what it does provide is a very real prospect of endless red tape and customs duties on goods traded with the EU, which may or may not be levied after Brexit, and for which those firms may or may not need to prepare and budget. That depends entirely on the Prime Minister’s ability to deliver a Brexit deal to British businesses and consumers.

As a result of the Bill, some 130,000 UK firms face the possibility of paying VAT upfront for the first time on all goods imported from the EU, with all the bureaucratic nightmares and cash-flow crises that that will create. Indeed, one of the north-east international trade advisers has told me:

“This will be a huge concern to all importers, but in particular to those who won’t yet know the consequences because they only currently import from the EU. The issue of managing cashflow will become a major problem because businesses will have to pay out VAT, and then claim it back through their VAT return three or six months down the line.”

Understandably, they want to know what support the Government will provide to help the region’s firms through a significant period of adjustment, and so do I and my colleagues.

What impact assessment have the Government carried out of the proposals for the stand-alone UK customs regime contained in the Bill, and of its effects and costs for businesses of all sizes up and down the country? Given that a recent Federation of Small Businesses survey found that small businesses already spend one working week every year complying with their existing VAT obligations, is it not crystal clear that the Bill will have serious implications for UK productivity rates, projections for which have already been seriously downgraded in the autumn Budget? What effect do Ministers think the Bill’s proposals will have on the many ports, airports and rail terminals across the UK, including Newcastle international airport and the Port of Tyne in the north-east? Who will foot the bill for any necessary infrastructure changes?

Perhaps equally importantly, what evidence is there that Her Majesty’s Revenue and Customs will be able to cope with what is being proposed, after years of staff reductions, office closures and the loss of senior experience? Indeed, when I asked the Institute of Chartered Accountants in England and Wales during a Treasury Select Committee session last month whether it thought that HMRC had the capacity to manage the myriad challenges thrown up by Brexit, I was told:

“We all saw the evidence session where HMRC’s CEO was up before the Public Accounts Committee, and indeed he has been in front of this Committee as well. The clear message there is that HMRC has the largest change-management project currently in Europe in terms of its regionalisation of its computer systems, and their CEO was clearly worried that adding Brexit on top of that is potentially going to push HMRC over the edge. That was the clear message.”

The ICAEW went on to comment:

“It is quite clear that the CEO of HMRC is worried about Brexit, if you like, being the straw that broke the camel’s back. If the CEO of HMRC is worried, it is fair to say that it clearly worries us as well... We need to have an honest and realistic assessment of the capabilities of HMRC in this climate, and what is going to be needed is terms of Brexit, and an honest assessment of whether they can do it all.”

This does not exactly inspire confidence, and I am sure that it will make concerning reading for firms up and down the country.

Finally, I want to touch on the concerns being expressed by a number of international development non-governmental organisations in relation to this legislation. It is a matter of particular concern that the Bill refers to
the set of criteria to which the Treasury must have regard when considering the rate of import and export duty to impose under the proposed new regime, but that no reference is made in the legislation to the principle of sustainable development or to the UK’s commitment to the sustainable development goals. I therefore join organisations such as Traidcraft and the Fairtrade Foundation in urging the Government to rectify this by making the principle of sustainable development and the SDGs a core consideration. In an article published during last year’s Fairtrade fortnight, I wrote:

“As part of its proud history of leading the way on international development, the UK has long championed the hugely important role that trade can play in improving living standards around the world. So, just as nobody wants to see Brexit weaken the countless EU-derived protections we all benefit from in the UK—whether employment rights, environmental legislation or consumer standards—nor must it result in making life even harder for some of the poorest producers in the world.”

9.53 pm

Vicky Ford (Chelmsford) (Con): It has been a great pleasure to listen to the debate tonight. I have always said that when it comes to EU negotiations, the devil is in the detail. It has been good to hear many Members discussing real detail tonight, because that will give us more confidence that we will be able to address the specifics in the negotiations ahead.

Some colleagues have suggested that we should try to maintain the status quo and stay in the customs union permanently, but I do not believe that that is practicable. I speak not only as a former Member of the European Parliament but as the person who chaired the European Parliament’s Committee responsible for the customs union. Staying in the customs union might help to sort out our trade with Europe, but what would it do for our trade with the rest of the world? Perhaps we would be able to negotiate to continue the existing free trade agreements that Europe has with other parts of the world, but the EU does not stand still. It will be negotiating new trade agreements. Trade negotiations are always controversial and always involve trade-offs. British interests are not always directly aligned with the rest of the EU, and having to accept future trade deals without any say over the terms is not a practicable solution, so a new relationship with the EU is needed.

It is also not practicable simply to do nothing and to try to cut and paste the relationships that we have with other parts of the world on to our trade with the EU. That particularly applies to our trade across the channel, because the journey times are too short for paperwork to be processed and the trade volumes are too high. There would be delays, which would push up costs and raise prices, hitting the interests of consumers and businesses on both sides of the channel. It is therefore good that both the UK Government and Governments across Europe are looking at bespoke solutions, and the Bill keeps our options open, including the potential for a customs union with the customs union, which may be the exact sort of deep partnership we look for in the future.

It is important to look at the detail. Import VAT and when it falls due is really important for small businesses in all our constituencies, but the Government have recognised the issue and do not want small businesses to face more costs. The Manufacturers’ Alliance has pointed to concerns about the detailed methodology on calculating remedies, the supremacy of the lesser duty rule, and the timing and nature of the economic interest test, but all those issues can be dealt with in Committee and are not good reasons to vote against the Government tonight. There is the really important issue of the cumulative rules of origin, which are vital for advanced manufacturing and the car sector, but Ministers have again made it clear that they are aware of the issue, which affects manufacturers on both sides of the channel.

In an ideal world, we would want our future customs relationship to be agreed before we agree the legislation here, but we are not in a position to do that. Any future trade deal with Europe needs all 27 other countries to agree to it, and we need to be ready to act with whatever the solution is. I am particularly pleased that Ministers have said that they are committed to delivering either the streamlined customs arrangement or a new customs partnership, and I urge Ministers and Governments on both sides of the channel not to give up on an innovative solution yet, because it is in the interests of businesses and consumers on both sides of the channel to find and deliver such solutions.

Mr Leslie: On a point of order, Mr Speaker. The Bill that we are discussing has been designated as an aids and supplies Bill, and potentially as a money Bill, which I understand is in your gift at the end of the Commons proceedings. Could you confirm that no decision is imminent on your part on the designation of the legislation as a money Bill? I am not seeking a ruling from you this evening, but perhaps you could reflect on whether it is fair use of procedure for the Government to have unilaterally designated the Bill as an aids and supplies Bill, because there are measures in the Bill, particularly in relation to the customs union, that the other place might have a great appetite for amending. Obviously it is not for us to determine the procedures that take place in the House of Lords, and while that is not a matter for you, will you confirm that you have not yet made a decision on the designation of this Bill as a money Bill and that, as far as you are concerned, the House of Lords can do what it will with the Bill, should it pass to the other end of the building?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. The short answer is that I am making no decision at all at present about the certification of a money Bill. Such decisions do fall to the Chair from time to time, but they tend to be made at a slightly later stage in the process, and I will not be making a decision tonight. More widely, the hon. Gentleman advances an argument about what he thinks are appropriate arrangements in respect of the Bill, given its contents and implications, and I will reflect carefully upon what he and other Members have said. I hope that that is hopeful to Members and to the House.

9.59 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): A happy new year to you, Mr Speaker, and to all hon. Members in the Chamber.

This Bill and the Trade Bill, which we will consider tomorrow, could have a significant impact on Britain’s future prosperity. By determining arrangements for governing cross-border trade, customs duty and tariffs,
they will decide how our country governs its commerce with the rest of the world. Sadly, as the Bills reveal, rather than proceeding with the task in a transparent way, the Government are again using Brexit as an excuse to allocate themselves more powers, which is incredibly dangerous. Decisions about trade can create jobs, but can also, of course, destroy jobs.

We have heard powerful contributions from Opposition Members. My hon. Friend the Member for Hornsey and Wood Green (Catherine West) talked about the beef and dairy sectors, and my hon. Friend the Member for Coventry South (Mr Cunningham) talked about vehicle manufacturing. My hon. Friend the Member for Sedgefield (Phil Wilson) talked generally about manufacturing and the danger of an ill thought through approach, given the impact it could have on jobs.

It is surely a fundamental principle that there should not be taxation without representation. As is recognised in the very name of the Bill, customs charges and duties, as well as import and export quotas, are effectively forms of taxation. Rather than enabling proper scrutiny and debate on decision making in this area, we see here the same trick that has repeatedly been evident with the European Union (Withdrawal) Bill and the last two Finance Bills: more power to the centre and less power for Parliament. Many concerns about that point were eloquently expressed by Opposition Members, particularly by my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith). It is only Labour’s reasoned amendment that

Labour has four core objections to the Bill that motivate our reasoned amendment, and I will run through them briefly in turn. First, there must be much more parliamentary oversight of our future customs and tariff regimes. We will table amendments in Committee to set out workable arrangements to ensure that governmental decisions are subject to appropriate parliamentary scrutiny and, in particular, why the Government should use amendable resolutions, not ministerial fiat, when deciding important issues such as changing customs tariffs, preferential rates for different countries and remedies for different international trade disputes. Only in that way can Parliament exercise its voice so that parliamentarians whose constituencies could be significantly affected by ill thought through measures can challenge those measures in this place.

I underline that only Labour’s reasoned amendment stresses the need for this, our British Parliament, to prevent yet another wholesale land grab by the Government, in this case on customs duties, charges and quotas—I hope that answers the point made by my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith). It is only Labour’s reasoned amendment that concisely and clearly underlines this democratic deficit. In that regard, we heard prescient points from the hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper).

Labour’s second problem with the Bill is that it fails to offer businesses and manufacturers the certainty that they desperately need about the UK’s future customs regime. That was pitifully expressed by my hon. Friend the Member for Wirral South (Alison McGovern), who set out how, despite some of the perhaps ill thought through noises off from Conservative Members, the reality for many British businesses is that the vast majority of their trade is going to be with the rest of the EU. We therefore need a serious debate about our future customs arrangements. Of course, as was underlined by my hon. Friend the Member for Ilford North (Wes Streeting), our relationship with other countries is often governed by our relationship with the EU, because trade and customs arrangements are currently set through the EU.

On the problem about the lack of certainty for industry under the Government’s proposals, my hon. Friend the Member for Bootle (Peter Dowd) hit the nail on the head when he said that this Government’s current approach is simply to pat Parliament on the head and say, “Everything will be all right. Don’t worry, it will be all right on the night.” I often enjoy the Minister’s contributions, which tend to be detailed, but he used a strange formulation when he spoke about this point earlier. He said that the Bill—I hope I am quoting him word for word—will “facilitate whatever the will of Parliament ends up being”.

The point is that in these negotiations, unfortunately, we are not talking about the will of Parliament, because the Government have in many cases ignored our will. Instead we are talking about what the will of the Government happens to be, and it seems to be one that they want to exercise as freely and unaccountably as possible.

I felt that we got a bit of a reality check from some of the Minister’s other comments. When he was talking about VAT, we heard something that contradicted that previous statement. He said that after the passage of this Bill, it will be up to the Government to decide exactly where we end up on what VAT arrangements will be for British businesses. We are therefore talking about the Government determining taxation arrangements without a proper parliamentary process. On VAT, I was pleased to hear my hon. Friend the Member for Walthamstow (Stella Creasy) again doggedly pursuing the issues she has raised many times about the lack of certainty for small businesses on VAT, given the Government’s current approach.

The Minister said it would be “possible” to have continued engagement with the EU on VAT, but we are not talking about possible or potential businesses; we are talking about real businesses that could have real cash-flow problems. As my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) said clearly, businesses need certainty and they are not currently getting it.

Labour is also concerned about the burden of these new approaches on customs arrangements for HMRC, which, as we know, is already struggling to deal with its existing tasks, even without the upheaval caused by a potential new customs arrangement. Since 2010, one in six HMRC staff has been lost, and we urgently need the Government to recognise the need for a better resourced HMRC in their proposals. That point was forcefully made by my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty).

Finally, Labour is of course deeply concerned about the Government’s untried, untested and undemocratic approach to trade remedies. As a former MEP, I have seen for myself how the British Government seem keen to push for EU markets, including the UK’s, to be opened up to unfair competition from countries unwilling
to hold to trading and human rights rules as part of the debate on most favoured nation status for China. My hon. Friend the Member for Aberavon (Stephen Kinnock) expressed his legitimate concerns about the Government’s approach, given the importance of the steel industry to his constituency. That industry has already suffered substantially because of dumping. Similar points were made eloquently by my hon. Friends the Members for Stockton North (Alex Cunningham) and for Stoke-on-Trent Central (Gareth Snell). Again, we see the Conservative Government trying to push through new measures that would disadvantage our industries.

The new authority will be debated in more detail tomorrow, but this Bill gives it its powers. It is essential that the body is truly independent and representative of our economy, and that it is staffed not by chums and ideological bedfellows, but by those who know how trade really works: British businesses; our trade unionists, representing workers; and those from the devolved Administrations who can reflect the specific challenges they face. The Trade Remedies Authority cannot be a creature solely of the International Trade Secretary. It should be accountable to Parliament so that parliamentarians can reflect the concerns of our constituents. Disturbingly, we already see that the parameters for the new trade remedies regime set out in this Bill are far weaker than those that even the EU itself is moving towards, and certainly than those exercised already by comparable countries.

We have heard many excellent speeches from Members on both sides of the House, but I particularly want to say how welcome it was to see my hon. Friend the Member for Redcar (Anna Turley), with her typical energy, advocating the interests of her constituents in this debate. Many of us, particularly Labour Members, have tried hard to say how we really need a customs regime that is accountable and workable, and that favours the interests of not only consumers, but producers—Great British producers. The Government’s proposals do not remotely measure up to that mark, so I hope that hon. Members will support Labour’s reasoned amendment.

10.9 pm

The Parliamentary Under-Secretary of State for International Trade (Mark Garnier): I thank hon. Members for their contributions to today’s debate. It is a great pleasure and an honour as a trade Minister to close the debate on the Taxation (Cross-border Trade) Bill, on which my colleagues in the Treasury lead. However, the fact that a trade Minister is closing the debate is not only indicative of the unity of purpose across our Government to deliver critical legislation, but demonstrates how important our future trading relationship will be after we leave the European Union. As a country, we need to create the structures and legislation that will form the framework of our new, home-grown, global trading relationships, which will embrace the entire world.

Before turning to the specifics, I remind the House of the context of our discussion today. As the Prime Minister and the Chancellor of the Exchequer have made clear, when Britain leaves the European Union in March 2019, it will also leave the customs union and the single market. Many hon. Members, particularly Opposition Members, have claimed that during the referendum campaign, people were not told that we would leave the customs union and the single market. However, I was proud to stand as a remainer with Opposition Members, and I certainly said that we would leave the customs union and the single market if we left the European Union. The British public were well informed about what was happening with Brexit.

The key issue now is what kind of relationship we will have with the European Union from 29 March 2019. On customs, the Government have been clear that they will be guided by what delivers the greatest economic advantage to the UK. They have set out their objectives for any future relationship: an independent trade policy; trade with the EU that is as frictionless as possible; and avoiding a hard border on the island of Ireland.

The progression of the negotiations to the next phase means that we can now look forward to discussing our future customs arrangements with the EU. In that context, the Bill is especially vital to the UK’s preparations for EU withdrawal. Just as it allows the Government to establish a stand-alone customs regime and ensure that VAT and excise legislation operates as required on EU exit, it also gives the UK the ability to respond to a range of outcomes to the EU negotiations.

Several issues have been raised, particularly on VAT. The hon. Members for Nottingham East (Mr Leslie), for Aberavon (Stephan Kinnock) and for Newcastle upon Tyne North (Catherine McKinnell) mentioned an impact assessment on the effect of the VAT regime. I make two points on that. First, we cannot do an impact assessment of any meaningful depth until we know exactly what deal has been achieved with the EU. Until we reach that point, any impact assessment will be merely a random guess. Secondly, the Chancellor in his autumn statement made the incredibly important point that he will do everything he can to mitigate the effects of the changes to the VAT regime as we change it under the Bill.

The hon. Member for Redcar (Anna Turley), supported by my hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), made an impassioned speech about free trade ports in her constituency. She asked a couple of important questions. The first was whether the Government were supportive of free trade zones. The simple answer is yes, but with a caveat that we need to understand them a great deal more. Her second question was whether the Government would advocate Teesport as a free trade port. She made a strong case for that—she speaks very well on behalf of her constituents. The Government will be very happy to engage with her and hear her case for that.

It is incredibly important that we understand how ports will work. My hon. Friends the Members for Morecambe and Lunesdale (David Morris), and for Folkestone and Hythe (Damian Collins) and the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) all appealed for the ability for ports to work efficiently. The Government well understand that roll-on roll-off ports working efficiently is one of the most important things we can achieve in the negotiations. We fully understand the problems that would arise if there were a hold-up in port.

The hon. Members for Aberdeen North (Kirsty Blackman), for Nottingham East and for Sedgefield (Phil Wilson) asked about the CDS. HMRC will start migrating traders to the CDS in August 2018 to allow a
six-month period for transition to all users by 2019. To reduce the risk at the point of exit, HMRC will continue to operate the current CHIEF system in tandem.

I do not want to go on too long, but I will quickly make a point about trade remedies. The framework will provide UK industry with a safety net against injury caused by unfair trading practices and unforeseen surges of imports. It will be a key part of ensuring an effective rules-based system for a fully functioning independent trade policy. It is important that the lesser duty rule provides for proportionate protections which remove injury to UK industry without unnecessary costs, and the economic interest test will provide a sensor check to ensure that measures are not imposed where they might have a disproportionate impact on the wider economy. The UK market is a relatively small but complex market, and the effect on competition and consumers of duties that are too high could be significant. Both the economic interest test and the lesser duty rule have been designed with that in mind.

In conclusion, the UK has set out our ideas for how future customs relationships with the EU can work. As our negotiations with the EU progress to the next phase, it is only right that the Government take whatever steps they can to ensure that they can effectively implement a new regime. On customs, VAT and excise, and indeed in relation to some aspects of our future trade policy, that is precisely what the Bill will do, by taking the sensible step of providing the Government with the ability to put in place responses to a range of possible outcomes from the negotiations. I hope that right hon. and hon. Members will support this crucial legislation, as the Government continue to put into action the decision of the British people to leave the European Union. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 265, Noes 309.

Division No. 87 [10.16 pm]

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniassi, Toni
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Barbier, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brace, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Day, Martyn
De Cordova, Marsha
De Piao, Gloria
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Emerson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fletcher, Colleen
Fint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Fris, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Hanson, rh David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hobhouse, Wera
Hodgson, Mrs Sharon
Hollem, Kate
Dent, Colleen
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana

Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laid, Lesley
Lamb, rh Norman
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachel
Matheson, Christian
McCabe, Steve
McCarthy, Kenny
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGlinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Newlands, Gavin
Norris, Alex
O’Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Piddock, Laura
Platt, Jo
Tellers for the Ayes:
Thangam Debbonaire and Vicky Foxcroft

NOES

Afrozi, Ashan
Afriyie, Kwasi
Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Ms Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Sir Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Bolsover, Peter
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breer, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor

Burt, rh Alistair
Cairns, rh Alan
Campbell, Mr Gregory
Cardiff, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davies, Sian
Dawson, rh Sir Jeffrey
Donaldson, rh Dr Alistair
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, rh Mr Nigel
Fabricant, Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Frazier, Lucy
Freeman, George
Fry, rh Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gilian, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Goodwill
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harries, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, rh Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jones, Mr Bernard
Jenkin, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Mr Dr Caroline
Johnson, Mr Imran
Jones, rh Mr Dave
Jones, rh Mr Marcus
Kanishka, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knut, Mr Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, rh Dr Phillip
Lefroy, Jeremy
Leigh, rh Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Lidding, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Mak, Alan
Malthouse, Kit
Mann, Mr Andrew
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menziez, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, rh Mr Sheryl
Murison, Dr Andrew
Neill, Robert
Newton, Sarah
Baker, Mr Steve
Badenoch, Mrs Kemi
Bacon, Mr Richard
Atkins, Victoria
Argar, Edward
Andrew, Stuart
Argha, Edward
Alkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Beretton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chi, Shihtl, Reham
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinagn, Caroline
Djagnony, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Ephicke, Charlie
Eustice, George
Evans, Mr Nigel
Fabricant, Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Fraser, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harries, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingsbery, George
Hollinskrake, Kevin
Holloboone, Mr Philip
Holloway, Adam
Howell, John
Hudson, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Lancaster, Mark
Lancaster, Mark
Lancaster, Mark
Lancaster, Mark

**Question accordingly negatived.**

**Question put forthwith (Standing Order No. 62(2)), That the Bill be now read a Second time.**

*The House divided: Ayes 309, Noes 265.*

**Division No. 88**

**AYES**

Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Amess, Sir David
Andrew, Stuart
Argar, Edward
Alkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Billingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Niall
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Beretton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chi, Shihtl, Reham
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinagen, Caroline
Djagnony, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Ephicke, Charlie
Eustice, George
Evans, Mr Nigel
Fabricant, Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Fraser, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harriess, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingsbery, George
Hollinskrake, Kevin
Holloboone, Mr Philip
Holloway, Adam
Howell, John
Hudson, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark

[8 JANUARY 2018] Taxation (Cross-border Trade) Bill
Latham, Mrs Pauline
Leadom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Lewin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalf, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O’Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phip, Chris
Pincher, Christopher
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Sandbach, Antoinette
Scully, Paul
Seely, rh Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharra, Allok
Shelbrooke, Alec
Simon, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, rh Julian
Smith, Rhos
Soames, rh Sir Nicholas
Soubry, rh Anna
Spearman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Street, Mr Gary
Stride, rh Mel
Stuart, Graham
Sutcliffe, Julian
Swinburne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tohill, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, rh Sir Robert
Truss, rh Elizabeth
Tugendhat, Tom
Vaz, rh Mr Edward
Vara, rh Shailesh
Vickers, Martin
 Villiers, rh Theresa
 Walker, rh Mr Charles
 Walker, rh Robin
 Wallace, rh Mr Ben
 Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, Sammy
Woolastons, Dr Sarah
Wood, Mike
Wrangel, rh Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Nigel Adams and David Rutley

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Alin-Khan, rh Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brahe, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Chwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, rh Yvette
Cowen, Ronnie
Coyle, Neil
Crusby, Sir David
Crawley, Angela
Cream, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, rh Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
Dodd, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David

NOES
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Eford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Hanson, rh David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hobhouse, Wera
Hodgson, Mrs Sharon
Holliern, Kate
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Kendall, Liz
Khan, Atzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laid, Lesley
Lamb, rh Norman
TAXATION (CROSS-BORDER TRADE) BILL
(PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),
That the following provisions shall apply to the Taxation (Cross-Border) Trade Bill:

Committal
(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee
(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 1 February 2018.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading
(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption that day.

(6) Standing Order No. 83B (programming sub-committees) shall not apply to proceedings on Consideration and Third Reading.—(Andrew Stephenson.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

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

Designs
That the draft Designs (International Registration of Industrial Designs) Order 2017, which was laid before this House on 19 October 2017, be approved.—(Andrew Stephenson.)

Question agreed to.

ELECTORAL COMMISSION

Motion made,
That the Motion in the name of Andrea Leadsom relating to the Electoral Commission shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved.—(Andrew Stephenson.)

Hon. Members: Object.

Mr Speaker: We come now to motion 5—

Bill Wiggin

North Herefordshire

(Con) rose—

Mr Speaker: I am grateful to the Chair of the Selection Committee, who is ahead of himself, as usual—eager, perched, poised like a panther ready to pounce. [Interruption.] For whom? Indeed.

WELSH AFFAIRS

Ordered,
That Stephen Kinnock be discharged from the Welsh Affairs Committee and Thelma Walker be added.—(Bill Wiggin, on behalf of the Selection Committee.)
Insurance and Genetic Conditions

Motion made, and Question proposed, That this House do now adjourn.—(Andrew Stephenson.)

10.46 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): May I wish you a happy new year, Mr Speaker? I hope you had a restful festive period. I know that, like me, you will have spent the time wondering why Paisley did not win the city of culture in 2021, and why Coventry still has not won it. I am grateful that you are in the Chair this evening.

I am delighted finally to fulfil a promise that I made to John Eden, the chief executive of the Scottish Huntington's Association, to bring to the Floor of the House a debate on the difficulties that both individuals currently suffering from genetic conditions and those with a high likelihood of developing such a condition in the future have in securing insurance. Those with complex neurological conditions, such as Huntington's in particular, have real trouble in trying to access affordable and fair insurance that allows them to secure a range of services that the rest of us, quite frankly, take for granted.

From the outset, I readily admit that this is not an easy issue: there is no easy fix. It is not a black-and-white issue, but the barriers facing those affected remain deeply unfair. In highlighting this problem, I intend to look at some of the problems that exist with genetic testing, as well as at how many insurance companies are able to bypass the voluntary concordat and moratorium on genetics and insurance by demanding that any applicant provides their full family history before they decide whether to insure someone.

This issue was brought to my attention by the Scottish Huntington's Association, which is based in my constituency. The SHA is the only charity in Scotland that is exclusively dedicated to supporting families affected by Huntington's disease. As well as providing a range of specialist support services for those who suffer from this condition, including a world-leading team of specialist youth advisers and a financial wellbeing service, the SHA campaigns to help improve the life chances of those who suffer from this complex neurological condition.

Across the UK, Huntington's affects between five to 10 people per 100,000, but Scotland has one of the highest rates of prevalence, with about 20 in every 100,000 in Scotland having HD, and 5% to 10% of cases develop before the age of 20. Huntington's is one of life's most devastating illnesses. People with it can suffer from repetitive involuntary movements resulting in mobility, balance and co-ordination problems, as well as difficulties with speech and swallowing. Huntington's can also develop a type of early-onset dementia that affects an individual's ability to process information, make decisions, solve problems, plan and organise. Those affected by HD can also experience a decline in their mental health and may eventually lose the ability to walk, talk, eat, drink, make decisions or care for themselves, requiring support for most or all of their activities on a 24-hour basis.

Despite the challenges that those with Huntington's have to live through each and every day, they still need to live their lives, and that requires access to insurance. That particular issue is not new to this House, as it has been debated and discussed in the past, although it has not been raised as often as it should have been. The use of genetic testing in insurance can be traced back to debates held in this House in 2000. Unfortunately, as I will discuss later, it appears that not enough has been done by the UK Government or the insurance bodies to help rectify the matter properly.

Individuals need to secure insurance on many different aspects of their lives. We need insurance to be able to drive a car. Most of us will require home insurance if we want to secure a mortgage, and families who want to go on holiday will need to secure travel insurance before setting off. Many of us will take out life insurance to protect us and our family and cover any tragic or unplanned event.

Securing insurance is the responsible thing to do, but many individuals and families are prevented from doing so, as they are either unfairly refused outright or priced out of the market. Trying to find the right insurance is never fun, but it has never been easier. With the advent of comparison websites, five minutes is all it takes for most of us to access the most suitable and cheapest insurance. However, there are thousands of people out there who dread the thought of even trying to access insurance, because for them it is not the simple and straightforward task that it is for most of us. It is an extremely time-consuming experience, often fruitless and always very expensive.

A survey completed late last year by Genetic Alliance UK found that 65% of respondents had problems accessing insurance. I am certain that that figure would have been higher had the survey asked questions only of Huntington's sufferers.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on securing this debate. I asked him for permission to intervene. I am a member of the Northern Ireland Rare Disease Partnership, an organisation that focuses on many rare diseases including Huntington's. As the number of those with rare diseases and genetic conditions continues to increase and insurance cover becomes a greater problem for a greater number of people, does the hon. Gentleman agree that it is time for the Government to review the insurance situation and ensure that the problem he has outlined, which I know about in my constituency, is addressed urgently?

Gavin Newlands: I thank the hon. Gentleman for his intervention, and I wholeheartedly agree with him. I will come on to discuss the particular review relating to Huntington's, but I totally agree with him.

The reasons cited by survey respondents for not being able to access insurance included affordability, lack of understanding of the condition and the length of time the process takes to complete. Insurance policies by their very nature are designed to assess the level of risk before they choose to insure someone. We all know and accept that. If someone has previously crashed their car or had a bad credit rating, the chances are that they will either be denied insurance or face paying higher premiums for accessing insurance. It has always been thus. However, we should not equate having a bad credit rating to having a certain health condition, but that is exactly what is happening at the moment. Individuals with certain health conditions are experiencing great challenges to be able to access affordable insurance.
Genetic testing will be one of the ways in which insurance companies try to determine whether someone is destined to develop Huntington’s.

Dr Philippa Whitford (Central Ayrshire) (SNP): Does my hon. Friend feel that we will require legislation? Here, people with Huntington’s chorea are picked out because of a family history, but as we move into the era of genomics, if we allow insurance companies to force Huntington’s people to take genetics tests, we could all be forced to take genomic tests to see our risk of heart attack, cancer and so on. We need to deal with this now.

Gavin Newlands: I wholeheartedly agree with my hon. Friend. This is only the tip of the iceberg. We will have to come back to the issue under discussion and address the much wider issue in years to come.

Insurance companies believe that information derived from genetic testing is of relevance to assessing risks, and they argue that it provides “a reliable indication of increased susceptibility to medical conditions which require expensive care.” However, individuals who face the brunt of these tests and are either denied insurance or face ridiculously high premiums believe that they are being discriminated against.

An individual with a positive predictive genetic test for Huntington’s will find it extremely difficult to receive insurance, and I have received numerous emails from people throughout the UK sharing their experience of trying to secure insurance. Indeed, one contributor to the Huntington’s Disease Association Facebook page stated that they had tested negative but were still quoted over the odds because they had been tested.

Those obstacles also affect the family members of those with Huntington’s. Another sad aspect of the disease is that it is hereditary; so it impacts on entire families over generations. People with HD often have children before developing symptoms of the disease. If someone carries the defective HD gene, each child they have has a 50% chance of having Huntington’s.

An individual with a diagnosis of Huntington’s is not ordinarily able to obtain life, critical illness or income protection insurance, so families are unable to protect themselves from the future financial impact of this horrible disease. Not being able to access insurance compounds the huge negative economic impact of the disease. Those with HD almost always have to give up their employment, as do many of their family members, who have to act as carers for their loved ones. They also incur greater expenses arising from the health condition and many have to live on benefits—something that is proving impossible due to Tory austerity. If people are lucky enough to find insurance, they are very unlikely to be able to afford it, given the impact I have just described.

One of the emails I spoke of earlier came from a family who have struggled to access basic holiday insurance. The Kitching family have two young children, one of whom has a rare genetic condition. Before their son was born, the family had no problem acquiring insurance and were able to cherry-pick the insurer they used. These days, it is a very different story. Last summer, they had to navigate numerous hurdles and obstacles, including spending nearly eight hours on the phone, to finally secure a basic travel insurance policy. Despite their best efforts, the Kitchings’ insurance bill increased by 900%, which is surely beyond what any of us would deem acceptable. Unsurprisingly, for a number of reasons, the Kitchings did not have a wide selection of providers to choose from. Not only were they met with a brick wall and a refusal to even discuss the possibility of insuring them, but they found that many companies lacked the necessary basic knowledge to assess the risks posed by certain health conditions.

Those were the obstacles the Kitchings had to navigate to go on a simple family holiday to France. I am sure that hon. Members can only begin to imagine what that family and the many others like them would have to go through if they wanted to acquire life insurance.

The experience of the Kitchings is not unique. According to Genetic Alliance UK, a national charity working to improve the lives of patients and families affected by all types of genetic conditions, 59% of people who responded to its 2017 survey said that they decided to change or cancel their holiday plans altogether because they would not be able to access basic holiday insurance. The Kitchings believe that the current system lacks any transparency and that greater clarity is required for them and families like them. They want the system to be much more closely regulated to ensure that individuals and families are not discriminated against by insurance companies because they lack the necessary medical knowledge to understand genetic conditions such as Huntington’s.

Insurance companies recognise to some degree that individuals and families experience financial distress when trying to access the correct level of insurance. The UK Government and the Association of British Insurers therefore believe that the relationship between medical data and insurance underwriting should be proportionate and based on sound evidence. However, their definition of proportionate is, to say the least, at odds with what the families affected would consider to be fair and affordable.

There are several reasons why many individuals are reluctant to take a genetic test, such as the financial black hole that can be caused by restricted access to affordable insurance or not wanting to live their lives under the cloud of diagnosis. According to Genetic Alliance UK, less than one in five people at risk of Huntington’s disease choose to have the predictive genetic test. To try to combat that, the concordat with insurance companies who are members of the ABI states that insurers will not seek the results of genetic testing for insurance with a value less than £500,000. In practice, that would mean that individuals and families had a far greater chance of accessing affordable insurance to go on holiday, buy a car or purchase a house.

In reality, the moratorium provides little protection for people with Huntington’s or similar neurological conditions because instead of the insurance companies mandating that someone complete a genetic test, they will get around it by demanding that any individual hoping to secure insurance provides other forms of information, including a full family history. As I mentioned, each child of a Huntington’s disease sufferer has a 50% chance of inheriting the condition. Therefore, the information that is gathered by bypassing the genetic testing can lead to an individual’s access to affordable insurance being restricted. As such, the current moratorium does not provide enough protection for individuals and makes securing insurance a near-impossible task to accomplish.
The SHA believes that the business model that many insurance companies use to calculate risk is limited and does not collect all the genetic information available to calculate more precisely an individual’s health conditions. In other words, if we must use genetics, let us use them properly. This point is reinforced by an email that I received from Trish Dainton, whose husband sadly passed away from Huntington’s. She highlighted the unfairness of a system that can increase an individual’s premiums to ridiculously high levels on the assumption that they might have the HD gene but might not start developing the symptoms for 40-plus years.

It is no surprise, then, that so many people are avoiding being tested for HD, given that it could force them to pay a lifetime of sky-high insurance premiums. In addition, according to the 2017 survey by Genetic Alliance UK, 50% of respondents have avoided applying for insurance altogether, stating that concerns over premiums would prohibit them from accessing insurance. It should concern us all—certainly the Government—that too many people do not feel they can access any form of insurance. After hearing the stories from those who have lived with Huntington’s disease and how it affects their everyday lives, I think that it is clear that the insurance companies and the Government have to do a lot more to understand conditions such as HD.

In preparing for tonight’s debate, I have been sent numerous emails from individuals affected who say that most people do not truly understand the disease. The insurance companies state that the development of genomics is crucial to helping to guide the industry, as mentioned by my hon. Friend the Member for Central Ayrshire (Dr Whitford), but the system should be guided by medical knowledge and not by what a pre-programmed computer screen tells the operator to do.

As I have said, it has never been easier for most of us to quickly secure the insurance we need, and the insurance free market caters for the vast majority. For those with HD, however, shopping around means not a 30-second comparison website search but hours and hours of phone calls and being asked probing questions by someone who does not actually understand the condition. The Genetic Alliance UK report confirmed that the length of the process is one of the common complaints made by people and that there is a real desire for more action to be taken to reduce the time it takes to try to acquire insurance. That seems to be one way the insurance companies, whether at the Government’s behest or voluntarily, could work with stakeholders to design a process that prevents them from having to repeat the same information over and again.

If we do not develop a system that better understands neurological conditions, we risk creating a genetic underclass of people excluded from accessing affordable insurance due to misleading and inaccurate information gathered by insurance companies. The UK Government have a key role in changing this system to help make life that bit easier for those who have HD. The insurance companies self-regulate who they will and will not provide coverage to. That is not fair, and it is not good enough.

The current arrangements for insuring people who have or might have HD have not been reviewed since 2012, despite the fact that they should have been reviewed in 2014 and again in 2016. Indeed, the UK is out of step internationally in the way it treats those with genetic conditions. In 2000, the UK became the first nation to approve the commercial use of gene technology to allow insurers to refuse insurance cover or to push up premiums for those born with genes that could lead to fatal conditions later in life. Furthermore, unlike many other developed countries, such as Canada, the USA, Sweden, Luxembourg, Belgium, Denmark and the Netherlands, the UK does not have specific legislation that prevents genetic discrimination. Let us be clear: despite the fact that equalities legislation supposedly provides this protection, those affected believe that they are being discriminated against by the insurance companies.

The Government have a duty to respond to the thousands of people across the UK who have been waiting for action to be taken against the insurance companies. There is plenty that can be done on this issue, but I would start with the HD insurance review that is now nearly four years overdue. The Government could get tougher on the insurance companies, offer to help with a Government-backed insurance scheme for those with Huntington’s or put a realistic cap on premiums. I am not asking the Minister to commit to any specific actions this evening beyond urging him to confirm a new review and requesting a meeting with me, the Scottish Huntington’s Association and others so that he can hear at first hand of the very real and systemic problems.

In conclusion, I cannot—I am sure that none of us can—begin to understand how tough life is for those suffering from Huntington’s and the huge impact it has on the families caring for them. These families are not asking to change the world; all they want is to be able to access affordable insurance to allow them to go on holiday, buy a house, purchase that new car and protect them from the worst of the financial impact resulting from the condition. In short, they want to live their lives as best they can. We, as a society, should be doing all that we can to make life easier for those with genetic conditions, not putting further barriers in their way. I hope that the Minister can join me, and thousands of families up and down the country, in helping to create a fairer, more accessible and more affordable system for the individuals and their families who are currently in this invidious position.

11.5 pm

The Economic Secretary to the Treasury (Stephen Barclay): Let me begin by thanking the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) for securing this important debate. As he set out so eloquently, rare genetic conditions such as Huntington’s disease have a significant impact on the people and families who are affected by them. The Government are focusing on ensuring that the insurance industry functions well for everyone, including those with genetic conditions. Let me deal with the hon. Gentleman’s final point first because saying that I am of course always happy to meet him to discuss more fully the points that he has aired tonight.

I have listened to what the hon. Gentleman has said, and also to wider representations. Broadly speaking, I can identify three key issues. First, people with rare genetic conditions such as Huntington’s disease can find it harder to access some insurance products. Secondly, when they find an insurance product, it is sometimes not affordable. Thirdly, people with rare genetic conditions...
are often discouraged from having a predictive genetic test for fear that it would make it harder or more expensive for them to obtain insurance in the future.

It is clear that factors such as age, postcode, occupation and health can all have an impact on the availability, pricing and terms of insurance policies. For example, a pre-existing medical condition, such as Huntington’s disease, can be an indicator that someone is more likely to make a claim. For that reason, insurers will use medical history as a rating factor for some products, which may mean that someone with a genetic condition has to pay a higher premium than someone without such a condition. We must acknowledge, however, that the respective capabilities of insurers to assess risk legitimately, and to price their products accordingly, are a key element on which they compete. I think the hon. Gentleman recognised that at the outset when he said that it was often not easy for insurers to strike the right note in this context.

It would not be right for the Government to intervene in individual firms’ pricing decisions in a way that would damage the competition on which the compulsory competitive tendering relies. I am sure the hon. Gentleman agrees that effective competition is the best way to ensure that the insurance market functions well. While, as he has made clear, it can be harder for people to find cover for rare genetic conditions, it is important to note that there is nothing to suggest widespread exclusion from the insurance market. Furthermore, representatives of the insurance industry have given assurances that, as with all pre-existing medical conditions, insurers will try to offer insurance coverage where they can, based on evidence and backed by medical research.

The Government have made it clear that they consider it important for everyone to have access to suitable insurance. To that end, in 2014 a landmark agreement was established by the Government and entered into with the insurance sector, which led to the expansion of the British Insurance Brokers’ Association’s Find a Broker service. The service was set up specifically to help those who were struggling to find insurance, and last year it was used by more than half a million people.

The Financial Conduct Authority, as the organisation responsible for regulating the insurance industry, has rules requiring firms to treat all customers fairly. The FCA also frequently monitors the sector to track and tackle discriminative practices. It recently closed a consultation seeking feedback from people with pre-existing medical conditions, including cancer. As I am sure many Members will know, people with cancer may find it particularly difficult to obtain insurance cover. The FCA plans to announce its next steps early this year.

It is vital that families living with rare genetic conditions, such as Huntington’s disease, are not discouraged from taking predictive genetic tests for fear of subsequently having problems with getting insurance. That was one of the hon. Gentleman’s key concerns. To that end, in 2014 we extended the concordat and moratorium on genetics and insurance, an agreement between the Association of British Insurers, representing more than 90% of the insurance market, and the Government. That agreement gives clarity and confidence to those taking predictive genetic tests on how insurers treat genetic information. Under the rules of that scheme, insurers are not allowed to ask anyone for the result of a predictive genetic test for any condition, including Huntington’s disease, when they apply for life insurance with a value of less than £500,000. It is important to note that more than 95% of life insurance policies sold in the UK would fall within the protection of that £500,000 cap. That gives confidence to those who wish to take a predictive genetic test, because they can be sure that the results will not negatively influence the price or availability of life insurance.

Dr Whitford: Does the Minister not recognise the fact that people end up in the same situation that we had with HIV testing, whereby simply by being tested for HIV—not asked for the results—they were classed as high risk? They had exactly the same issues with mortgages and insurance.

Stephen Barclay: The hon. Lady’s point would be a legitimate one if that were indeed the case. However, that is not what the evidence shows. As I have just said, 95% of life insurance policies fall within the cap. Also, we should bear it in mind that the genetic test is often prayed in aid because, although there is a 50% chance of a condition materialising, there is also a 50% chance of it not materialising. The genetic test is therefore often prayed in aid to reduce the risk, rather than having a solely negative use. I think the situation is therefore more nuanced than the hon. Lady’s intervention suggests.

The ABI also provided a report to the Department of Health on its members’ compliance with the concordat and moratorium. I understand that in the last year there was only one complaint, which was subsequently resolved. However, if the hon. Gentleman or any other Member has further evidence of concerns, I would be happy to follow up on any evidence that might be forthcoming.

As a final point, I would like to mention that the Government are also committed to a wider financial inclusion agenda. This will ensure that everyone has access to suitable financial services products. As part of this agenda, we will soon be launching the financial inclusion policy forum. This initiative will address the problem of financial exclusion by driving better co-ordination and engagement across Government and the financial services sector. It has received unanimous support, including from the Financial Inclusion Commission and the Money Advice Trust, and it will be chaired by me and the Minister for Pensions and Financial Inclusion, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Hexham (Guy Opperman). I hope that the meeting between me and the hon. Member for Paisley and Renfrewshire North following this debate will enable us to—

Gavin Newlands rose—

Stephen Barclay: Of course I will give way to the hon. Gentleman.

Gavin Newlands: I think that that meeting will prove worthwhile. The Minister seems to be taking assurances from the FCA and the ABI, while the reality of the situation being relayed to me by those who are suffering from Huntington’s is very different from the picture being portrayed by the Minister. I therefore very much look forward to that meeting, and I hope that it takes place at the earliest opportunity.

Stephen Barclay: I think we need to differentiate two different points. The first is when the family history is indeed taken into account by insurers, but it is not
related to a specific condition. I know when members of my family have had a medical condition that that can affect not only life insurance but a whole range of things, such as travel insurance. Family history is taken into account and that was, to a degree, the substance of the hon. Gentleman’s remarks. That is different from whether those with concerns can have a predictive test, which can cap cover at £500,000, but 95% of life insurance falls within the cap. This is about whether the predictive test is being fettered by the restriction on insurance, and the concordat is there to give comfort to people that they can go ahead and have a genetic test. However, we are happy to discuss that further.

To conclude, I thank the hon. Member for Paisley and Renfrewshire North for securing this debate. Rare genetic conditions, such as Huntington’s disease, have profound impacts on those affected by them. I hope I have been able to provide some assurance this evening that the Government are committed to ensuring that the insurance industry functions well for all consumers, and I look forward to our further discussions as we try to address any further concerns.

Question put and agreed to.

11.14 pm

House adjourned.
House of Commons

Tuesday 9 January 2018

The House met at half-past Eleven o’clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Illegal Wildlife Trade

1. Henry Smith (Crawley) (Con): What steps his Department is taking to tackle the illegal wildlife trade. [903126]

4. Rishi Sunak (Richmond (Yorks)) (Con): What steps his Department is taking to tackle the illegal wildlife trade. [903129]

24. Mr Marcus Fysh (Yeovil) (Con): What steps his Department is taking to tackle the illegal wildlife trade. [903150]

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): Tackling the illegal wildlife trade is a massive priority for this Government. To that end, we will host a high-level conference in London this October to drive further progress. I can assure the House that the Government raise the issue of illegal wildlife trade consistently at all levels with our friends and partners around the world.

Henry Smith: I am grateful to my right hon. Friend for his answer. Can he say a little bit more about what actions he has taken globally to ensure that the appalling ivory trade is reduced, and whether he thinks that national bans play an important part in that?

Boris Johnson: I am grateful for that question, because the UK Government have been a leader for many years now in calling for an end to the illegal trade in ivory, which not only does so much damage to the elephant population but encourages criminality of all kinds across the African continent. I am proud to say that this Government are currently consulting, as my hon. Friend will know, on an all-out ivory ban. The results of that consultation will be announced shortly, and I hope to have good news for the House.

Rishi Sunak: I commend my right hon. Friend for all his work in this area, but may I draw his attention to a shocking investigation in the Mail on Sunday, which highlighted the continuing illegal trade in tigers in Laos? Does he agree that those findings deserve urgent attention to ensure that this magnificent species can continue to enjoy a safe future?

Boris Johnson: I indeed commend the excellent journalism of that publication—at least in this respect—in highlighting what is taking place in respect of tiger farming in Laos, which is an abominable trade that all right-thinking people across the House would condemn. The UK Government not only call on the Government of Laos to stop this appalling trade, but stand ready to give any support and help that we can to the Laotians.

Mr Fysh: You, Mr Speaker, may be as interested as I am in the oceanic environment. I want to talk about whales, because 30,000 have been killed since the introduction of the international whaling ban, and nations such as Japan, Norway and Denmark take a very controversial view on participating in whaling. What can the Secretary of State’s Department do to make whaling history?

Boris Johnson: I congratulate my hon. Friend, an eponymous Member, on that important question on what we are doing to protect whales—although they are, of course, mammals rather than fish, as he knows. The UK has been in the lead over many decades in calling for an end to illegal whaling. We condone whaling only when it is clearly and demonstrably necessary for subsistence.

Kerry McCarthy (Bristol East) (Lab): Reports from the UN and others have shown links between not just the illegal wildlife trade but the illegal timber trade and the financing of terrorist groups such as al-Shabaab and the Lord’s Resistance Army. Is that on the Minister’s radar, and what will he be doing to ensure that the links between terrorism and those trades are broken?

Boris Johnson: The hon. Lady asks an excellent question, because, of course, the illegal wildlife trade is intimately connected not just with the illegal timber trade, but with drug running, gun trafficking and the trafficking in human beings, so if we tackle the illegal wildlife trade, we drive down those phenomena as well.

Helen Jones (Warrington North) (Lab): The illegal trade in ivory is estimated to be worth about $20 billion per annum, and yet the Government have so cut the Border Force that they are now looking at recruiting volunteers to fill the gap. What confidence can the House have that this illegal trade will be tackled if the Government are not prepared to put the resources into the Border Force?

Boris Johnson: I have every confidence in our Border Force and its ability to police the traffic of illegal items such as ivory. It should be evident, I hope, to everybody coming from another country with such an illegal item in their possession that they face the risk not only of prosecution, but of jail.

the Secretary of State has offered his South African counterpart to help global campaigning to end this trade once and for all.

**Boris Johnson:** I can tell the hon. Gentleman that the Minister for Africa has raised that very matter with the South African Government only recently.

### Veterans Abroad: Military Covenant

**2. Sir Hugo Swire** (East Devon) (Con): What discussions he has had with the Secretary of State for Defence on the application of the Military Covenant’s duty of care to veterans living abroad.

**The Minister for Africa** (Rory Stewart): I have not held full discussions with the Secretary of State for Defence on this subject. However, we feel deep respect for anybody who has served in the armed forces, and the Government have been pleased to put £770 million from the LIBOR fund into supporting veterans at home and abroad.

**Sir Hugo Swire:** Of course, we very much welcome that. According to the campaigning charity, ZANE: Zimbabwe A National Emergency, there are 600 former British servicemen—those who have served the Crown—and widows of servicemen living in considerable pensioner poverty in Zimbabwe. Does the Minister agree that although the financial responsibility is that of the Government in Harare, the moral responsibility lies also with us? With that in mind, will he commit to meeting the Secretary of State for Defence to discuss those people, and will he press the new Zimbabwean President, Emmerson Mnangagwa, to actually face up to his responsibilities to these people who are living in his country?

**Rory Stewart:** I will absolutely commit to meeting the Secretary of State for Defence on this subject. We have met my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) and Lord Goodlad to discuss the matter. The prime responsibility for looking after veterans of the Zimbabwean army lies with the Government of Zimbabwe, so we will also raise the issue directly with President Mnangagwa.

**Catherine West** (Hornsey and Wood Green) (Lab): This question relates to military personnel. We read in today’s Guardian that drone strikes have doubled and the number of civilians affected has doubled. What legal advice do military personnel involved in drone strikes receive?

**Mr Speaker:** Order. Although it was a most ingenious attempt, I am afraid that the hon. Lady’s point is not merely tangential, but irrelevant to the substance of the question. She can have another go later, if she feels so inclined.

### The Commonwealth

**3. Suella Fernandes** (Fareham) (Con): What steps his Department is taking to promote the Commonwealth.

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): We will be having a summit of the Commonwealth in April this year. As I am sure all Members know, that will provide a fantastic opportunity for us to showcase an institution that has stood the test of time. The Commonwealth brings together 52 countries—in fact, 52 of the fastest-growing economies in the world. It is a most remarkable institution. The summit will of course be an opportunity to pay tribute to Her Majesty the Queen for her long years of unrelenting service.

**Suella Fernandes:** Does my right hon. Friend agree that the summit taking place in April represents a major opportunity to revitalise the Commonwealth as an international trading alliance, and that India—with 55% of the Commonwealth’s 2.3 billion population and 26% of its internal trade—should play a major role in furthering that mission?

**Boris Johnson:** My hon. Friend is absolutely right. It is therefore a very good thing that Prime Minister Modi will be coming. Of course, India will be playing a major role in the events.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Last time I looked, there were 54 members of the Commonwealth, but perhaps I am wrong. The fact of the matter is that many people I meet from Commonwealth countries are very worried about the diminished role of Britain worldwide as we leave the European Union. What does the Secretary of State say about that? Many fear that we will lose our place on the Security Council.

**Boris Johnson:** I can reassure the hon. Gentleman—as I am sure he reassures anybody who makes that point—that our position on the Security Council is absolutely secure. In fact, the only thing that threatens our position on the Security Council, as my hon. Friends will know, is the unilateralist disarmament policy that used to be adopted by the Labour party and its leader. It is the retention and possession of an independent nuclear deterrent that guarantees our membership of the Security Council, as the hon. Gentleman knows full well.

**Mr Speaker:** On promotion of the Commonwealth, I call James Duddridge.

**James Duddridge** (Rochford and Southend East) (Con): Thank you, Mr Speaker.

To make the issue of 52 members versus 54 more orderly, could we perhaps increase the number to 54? Although the Foreign Secretary is right in saying that it is 52, I think that by the time that we get to the Commonwealth Heads of Government meeting, the Gambia will already be in, making it 53. Could we add Zimbabwe to the list, particularly if that is conditional on the President making progress?

**Boris Johnson:** I thank my hon. Friend, who is a great expert on these matters, particularly Zimbabwe and Gambia. The proper solution, as the House will know, is for those countries to apply. The Gambia, I am glad to say, is a long way down the track, and we hope to welcome it back. For Zimbabwe, the prize of Commonwealth membership is once again something for that people to aspire to. That is a wonderful thing.
The Minister for Europe and the Americas (Sir Alan Duncan): As we create our new partnership with the EU, we must also build even stronger bilateral relationships with the 27 member states, and at the same time maintain strong and positive relations with the EU institutions. Considerable effort has been made to ensure that the Foreign Office, and the country, is well placed to do just that.

Faisal Rashid (Warrington South) (Lab): Last month the Foreign Secretary warned that the UK would become “a vassal state” if we could not diverge from EU tariffs and standards, but he also accepted that divergence would have “trading consequences” for the UK. Could he spell out what those consequences would be?

Sir Alan Duncan: We are ready for post-EU membership will not denude the rest of the world, so that we do not rob Peter to pay Paul or build bilaterals at a cost to global Britain?

Stephen Gethins (North East Fife) (SNP): May I take the opportunity to congratulate the Foreign Secretary on surviving yesterday’s Downing Street dither? It would appear that Toby Young is the only person to have lost his job.

The Foreign Affairs Committee was told that there were to be cuts to the Foreign and Commonwealth Office’s work in Asia, Africa and the Americas, as the Minister mentioned earlier. What impact does he believe that will have on his Department’s ambition for a global Britain?

Sir Alan Duncan: I am confident that, with all the combined efforts across Whitehall—in many Departments, including the Department for International Trade—that will not dent our efforts to be champions of global Britain. Indeed, all Ministers in all Departments are making sure that global Britain is a reality.

Stephen Gethins: I thank the Minister for his response. It is good to hear that he does not believe the cuts elsewhere in the world will have an impact. However,
with an increasing number of people thinking that the Government are handling their negotiations with the EU badly, and given that such a view is shared in many capitals around the world, does he agree that the appointment of a no-deal Minister is the latest sign of a state hurting towards retreat and isolation?

Sir Alan Duncan: No, I do not. I have spent much of the past 18 months championing this country across Europe and elsewhere, throughout the 77 countries I represent, and I am proud to say that the British flag flies high and with great respect in all those countries.

Iran

6. Joan Ryan (Enfield North) (Lab): What recent assessment he has made of the effect on stability in the middle east of Iranian political and military influence in that region.

Boris Johnson: We have consistently made clear our concern about Iran’s destabilising and disruptive activity in the region, about its ballistic missile programme—it remains sanctioned by both the EU and the UN—and of course about reported Iranian weapons supplies to the Houthis in Yemen, which would be a violation of UN Security Council resolution 2231. We have set out those concerns with great clarity at the Security Council.

Joan Ryan: Iran’s support for terrorist groups across the region, its culpability in the destruction of Syria and its threats to wipe the world’s only Jewish state off the map must obviously be condemned by all, but words are not enough. What action is Britain going to take to combat Iran’s destabilising activities and, as the Foreign Secretary mentioned, its ballistic missile programme?

Boris Johnson: We have—indeed, I have personally—made clear to the Iranian leadership at all levels the deep concern we have in this country about the very issues the right hon. Lady raises. In particular, of course, there is the supply—or the alleged supply—of weaponry to the Houthis, the ballistic missile programme and the breaches of Iran’s obligations under UN Security Council resolution 2231. We are raising those issues not just with the Iranians but with our international friends and partners, to put pressure on Iran to desist from those activities.

Tulip Siddiq: My constituent Nazanin Zaghari-Ratcliffe is still in prison in Iran after 20 months. Despite a lot of attention on her case before the festive period, her husband, Richard, still spent Christmas without his wife and his daughter. When I met the Foreign Secretary, he said he would leave no stone unturned to secure her release. What steps has he taken to fulfil that promise?

Boris Johnson: I thank the hon. Lady. She and I have discussed this case on several occasions. I think that perhaps the best thing I can tell the House is that work continues assiduously at all levels on all our consular cases in Iran. It is, I am afraid, not particularly helpful in securing the result that we both want to get into detailed commentary at this stage about how we are doing.

Stephen Crabb: More than a year since we re-established diplomatic ties with the Iranian Government, Iran continues to develop its weapons programme, continues to fund regional terror groups and proxies, and continues to crack down on human rights campaigners. What positive fruit can we expect this year from our closer ties with the Iranian regime?

Boris Johnson: My right hon. Friend makes an excellent point. I would simply remind the House of the virtues of our approach, which is on the one hand to be extremely tough with the Iranians on what they are doing wrong—as I say, they remain a highly disruptive and destabilising force—but on the other hand to do what we can not just to confront them, but to engage with the forces of reform in Iran, which do exist, need encouragement and could be imperilled. That has to be the way forward, and it is one of the reasons why we believe—I know that this sentiment is shared by many in this House—that the joint comprehensive plan of action, the Iran nuclear deal, is valid, represents a considerable diplomatic achievement and should be safeguarded.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What steps is the Foreign Secretary taking to combat the growing influence of Iran in both Syria and Lebanon, with weapons focused on Israel, a state that it wishes to annihilate?

Boris Johnson: The hon. Lady is right to detect the disruptive hand and the destabilising agency of Iran in the region and certainly in the supply of missiles to Hezbollah and weapons to the Houthis. What Iran is up to is well chronicled and, together with our friends and partners, we are working at the United Nations and elsewhere to bring maximum pressure on the Iranians to cease and desist from their activities.

Sir Edward Leigh (Gainsborough) (Con): May we erect a new doctrine—perhaps we could call it the Johnson doctrine—that we have learned the lessons of our military interventions in Iraq, Libya and Syria and never again will we attempt to use military force to remove unpleasant authoritarian regimes and replace them with disastrous totalitarian movements?

Boris Johnson: My hon. Friend makes—I am afraid—an excellent point. Of course we must push back on Iranian disruptive behaviour—it is entirely the right thing to do and this Government will continue to do it—but we must also be intellectually honest and recognise that collectively over the past 20 years or so western foreign policy has helped to create the conditions, alas, in which Iranian influence has been capable of expanding.

Fabian Hamilton (Leeds North East) (Lab): Let us be clear that no peaceful protest should ever be met with violence and no peaceful protesters should ever be locked up and charged with crimes, some of them
capital crimes. Can the Foreign Secretary make it clear today that the Iranian regime’s actions over the past fortnight cannot and must not be used as an excuse by the White House to reintroduce sanctions following next week’s deadline and jeopardise the Iran nuclear deal?

Boris Johnson: I agree very much with the sentiments with which the hon. Gentleman began. It is vital that the people of Iran and the Government of Iran should understand that we in this country support the right to peaceful demonstration within the law. We communicated that message very clearly. It is also important that the JCPOA should continue and that that agreement, which prevents the Iranians from acquiring nuclear weapons in exchange for greater economic partnership with the rest of the world, remains useful and valid. We continue to urge our friends in the White House not to throw it away.

Dr Julian Lewis (New Forest East) (Con): Does the Foreign Secretary see, as I do, some parallels and similarities between the situation in Iran now and the situation in the former Soviet Union in its declining years? Does he agree that a combination of deterrence, containment and constant pressure over human rights issues is the right one to achieve a similar outcome?

Boris Johnson: I do agree with my right hon. Friend. Our approach must be extremely circumspect, guarded and tough, but we should also be in the business of encouraging reformers and progressives in Iran who are capable of taking that country forward in a different direction, as Mikhail Gorbachev and others expressed the hopes of many people in their country, in a different way.

Human Rights

7. Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries.

8. Sarah Jones (Croydon Central) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries.

9. Dr Rupa Huq (Ealing Central and Acton) (Lab): What steps he is taking to promote human rights in discussions with his counterparts in other countries.

The Minister for Africa (Rory Stewart): Human rights issues are raised directly by all Ministers in all interactions with counterparts. I myself have raised them nine times in the past four months. We also support civil society organisations on the ground and support human rights norms through multilateral and international organisations.

Gerald Jones: In Egypt, the treatment of the LGBT community continues to deteriorate, but I understand that lawmakers in the Egyptian Parliament are now considering a Bill to punish same-sex relationships with a maximum 10-year prison sentence. What representations have the Minister or the Foreign Secretary made to President Sisi about these alarming developments?

Rory Stewart: These are very alarming developments, and the transition from what was believed to be an Islamist Government to a nationalist Government appears to have coincided with a crackdown on such issues. The Foreign Secretary has raised the matter directly with President Sisi and we will continue to champion these issues and raise them in every interaction with the Egyptian Government.

Sarah Jones: We saw again this weekend the perils of the sea crossing from Libya to Europe. Migrants in Libya are also in danger. Amnesty says that 20,000 people are being held in detention centres, subject to torture, forced labour, extortion and unlawful killings. What are the Government doing to put pressure on the European and Libyan authorities to allow NGO rescue ships access to Libyan waters and ensure that people are not trapped in that country and refugees are able to exercise their right to asylum?

Rory Stewart: We are very focused on and aware of this issue. A lot of our focus at the moment is on the detention centres, and on ensuring that we work with the UN, with the EU and through DFID programmes on improving conditions in those detention centres.

Dr Huq: From experience, I know that the Foreign Secretary welcomes Opposition holding the powerful to account, even if his minders have not always done so, but on two recent delegations I heard of dissenters facing difficulties. We hear of child detainees in Israel, and in Bangladesh opponents sometimes being “disappeared.” Is it not time to place a greater emphasis on human rights in our dealings with these two key allies—or do arms sales receipts outweigh our ability to be a critical friend?

Rory Stewart: Ministers are very aware of both the issues of child detainees in Israel and of Opposition politicians in Bangladesh. They are raised continually in our interactions with those Governments. We try to do it sensitively, both at a ministerial level and at a diplomatic level, and we believe we can make progress on both issues.

Jeremy Lefroy (Stafford) (Con): Is the issue of religious freedom raised at every possible opportunity, particularly in countries where people are persecuted for their faith—or lack of it?

Rory Stewart: Absolutely; religious freedom is critical, and particularly critical in a world in which religious and sectarian violence appears to be increasingly dominant. We must advocate religious freedom, and we do so also through Department for International Development support to civil society organisations.

Kevin Hollinrake (Thirsk and Malton) (Con): We provide aid to many countries where appalling human rights abuses take place, whether the persecution of minorities or the construction of illegal settlements. Does my hon. Friend agree that we should make aid and direct support for Governments conditional, unless they use best endeavours to tackle such abuses?

Rory Stewart: That is a very important question. Our belief is that we need to do these things simultaneously. We need to use our political relationships actively, to drive human rights improvement and change, but at the
same time we have an obligation to very vulnerable, marginalised people in those countries, and we need to continue to provide development assistance to them.

Mike Wood (Dudley South) (Con): Since May, at least 21 Christians have been given long prison sentences in Iran for practising their faith. Did the Foreign Secretary raise the issue of human rights with his Iranian counterpart, particularly that of freedom of religion?

Rory Stewart: The Foreign Secretary certainly raised the question of human rights and freedom of religion with his Iranian counterparts on his visit.

Emily Thornberry (Islington South and Finsbury) (Lab): Mr Speaker, happy new year. I welcome the Foreign Secretary back to his place and I hope that the Prime Minister today recognises how important it is that he continues to have the support of a talented Front-Bench team in ensuring that his work is done properly.

On boxing day, the Saudis launched two separate airstrikes in Yemen, killing a total of 68 civilians and at least eight children. The UN's humanitarian co-ordinator said that this showed that both the Saudis and the Houthis are committing indiscriminate attacks against civilians, showing a complete disregard for human life. My question is this: do the Foreign Secretary and the Minister agree with that judgment against both sides?

Rory Stewart: As the shadow Foreign Secretary is aware, we continue to press very strongly in all our meetings with the Saudis on these issues. We have made some progress on the port of Hodeidah, although it is too early to be complacent; it remains a very difficult situation, and we need to continue pushing. And happy new year to the right hon. Lady too.

Emily Thornberry: I thank the Minister for that answer, but surely airstrikes by the Saudis, who are our allies, that are this indiscriminate are just as indefensible as attacks by the Houthis. He has mentioned the Houthis. More widely, how are we going to end the conflict? We have a proposal from the former Minister for the Middle East, the right hon. Member for Bournemouth East (Mr Ellwood), currently a Defence Minister, who wrote in The Sunday Telegraph this weekend urging a more interventionist UK role. He wrote:

"We must be less risk-averse, haunted...by our experiences in Iraq and Afghanistan".

He specifically recommends that the port of Hodeidah "is calling out to be stabilised by a third party". Does the Minister agree with his colleague's proposal, and if so, who does he propose that third party should be?

Rory Stewart: At the moment, we do not believe that the key to reopening the port of Hodeidah will be a third party. We have made a lot of progress. In particular, I pay tribute to the Secretary of State for International Development, who, in a recent visit to Djibouti, while working on the issue of Yemen, got undertakings on the port of Hodeidah. We will be watching this very closely over the next 30 days. We absolutely agree that the airstrikes must be investigated, and investigated objectively.

Mr Speaker: In seeking to speed up progress, I look with enormous confidence to Sir Desmond Swayne.

Ocean Conservation

8. Sir Desmond Swayne (New Forest West) (Con): What diplomatic steps is he taking to promote global ocean conservation.

The Minister for Europe and the Americas (Sir Alan Duncan): The Government are on track to meet their manifesto blue belt pledge. This will deliver marine protection across nearly 4 million sq km of the earth's oceans and seas around our overseas territories by 2020. We are also working through the Commonwealth marine economies programme to enable small island Commonwealth states to conserve and use their maritime space sustainably.

Sir Desmond Swayne: How will it be enforced?

Sir Alan Duncan: Very succinct, Mr Speaker! This is a wholly good news story. The BBC's “Blue Planet” series has inspired millions of viewers, and we are putting that into practical effect. I can make it very clear to my right hon. Friend that we are working with our overseas territories to ensure that each of our marine protected areas is backed by robust legislation, effective monitoring and the very strong enforcement that he would wish to see.

Jim Shannon (Strangford) (DUP): When it comes to improving global ocean conservation, third world countries want to be effective but do not have the resources to do so. What resources are being made available to those third world countries to help them carry out their job as well?

Sir Alan Duncan: I am not absolutely clear exactly what goes through the Department for International Development for this kind of purpose, but obviously there are international treaties and international treaty obligations. I hope that collectively the world can get together to ensure that the objectives we all share are properly put into effect.

Armed Conflicts: Heritage, Minorities and Human Rights

9. Nick Smith (Blaenau Gwent) (Lab): What steps the Government are taking to support the protection of cultural heritage, religious minorities and human rights in armed conflicts overseas.

The Minister for Asia and the Pacific (Mark Field): The hon. Gentleman will recognise that the UK strives to protect cultural heritage and human rights, including religious freedom, whenever they are threatened by conflict, which sadly they so regularly are. As recently as September, the UK was instrumental in the adoption of UN Security Council resolution 2379 calling for an investigative team to collect evidence of crimes committed by Daesh. More recently, in December, the UK ratified The Hague convention for the protection of cultural property in the event of armed conflict and acceded to its protocols.
Mark Field: The hon. Gentleman will recognise that I represent the FCO in Asia and the Pacific, but he is absolutely right that these issues are prevalent in places such as Nigeria and Kenya. In the part of the world where I represent the FCO, I do my best at every opportunity to represent the interests of Christians. I recently wrote a letter to all our high commissioners and ambassadors there asking for their own plans for ensuring that minorities from Nepal to India and elsewhere can be properly protected.

Jo Swinson (East Dunbartonshire) (LD): The crackdown by the Myanmar military continues to have dire consequences for the human rights of the Rohingya population, and Myanmar has now cut off all co-operation with the United Nations special rapporteur. While the strong stance taken by the General Assembly is a positive development, dissent from China, Russia and some other countries is preventing the adoption of a united international approach. What influence can the Minister use to convince China in particular of the need for diplomatic action to solve the crisis?

Mark Field: The hon. Lady has identified the hub of the matter, which is the fact that we cannot get a UN Security Council resolution through because it would be vetoed by China and Russia. However, she should rest assured that we are doing our level best to engage constantly in conversations with our Chinese and Russian counterparts in the Security Council. There was a presidential statement for the first time in 10 years just before Christmas, and I repeatedly raised the appalling treatment of the Rohingya with both the Burmese Defence Minister and the Minister for the Office of the State Counsellor in Nay Pyi Taw recently when I was attending the conference of the Asia-Europe Foreign Ministers.

Emily Thornberry: Reintroduce sanctions.

Mark Field: Very little can be done without international co-operation. As the hon. Lady will know, Lord Darzi is part of the committee that is trying to oversee the situation, and the committee will have meetings in Nay Pyi Taw within the next week to consider what practical steps can be taken to try to ease the path. However, as the hon. Member for East Dunbartonshire (Jo Swinson) pointed out, these are massive international problems. We have tried to do as much as we can through the United Nations, but—

Palestinian Communities

12. Alan Brown (Kilmarnock and Loudoun) (SNP): What recent discussions he has had with the Government of Israel on Palestinian communities in the west bank that are threatened with demolition.

17. Julie Elliott (Sunderland Central) (Lab): What recent discussions he has had with the Israeli Government on the military detention of Palestinian children.

The Minister for the Middle East (Alistair Burt): We remain seriously concerned about the continuing demolition of Palestinian property by Israeli authorities, and our embassy in Tel Aviv raised our specific concerns about it with Israel in November last year. Israel’s treatment of vulnerable Palestinian minors held in military detention also remains a human rights priority for the UK. I raised our concerns with the Israeli authorities during my visit to Israel in August last year, and will continue to do so.

Alan Brown: The Israeli Prime Minister’s party has just voted for the annexation of the west bank. The Israeli Attorney General has said that new laws must take into account the possibility of application to the occupied territories, and 46 Bedouin communities are still threatened with eviction. When will the UK’s approach change? When will it join other EU countries in calling for aid to compensate for the demolition of EU-funded structures and an end to trade with illegal settlements?
Alistair Burt: The whole issue of settlements brings into question the whole point of pursuing a two-state solution, because none of these issues will be dealt with unless we make progress on that. We are pressing for that of course, but in the meantime we continue to support those who are concerned about demolitions and settlements. We continue to make the case to Israel that these are barriers to peace, among other barriers to peace, but unless there is a conclusive settlement soon, these issues will get worse.

Julie Elliott: Does the Minister share my outrage at the continued detention of 16-year-old Ahed Tamimi in Israel, in violation of article 76 of the fourth Geneva convention, and will he raise this issue, and our concerns about it, with the Israeli Government?

Alistair Burt: I know both the Tamimi family and Nabi Saleh, and it is a very unhappy incident all round. The truth is that the soldiers should not be there and the young woman should not have needed to do what she did. It is sad that two young people who ought to be friends are caught up in a situation in which, because of the failure to deal comprehensively with what is happening on the west bank and in Israel, we cannot come to a settlement. We have indeed made representations. It is important that Israel follows through the law, as it is entitled to do, but when we see the whole incident on video it tells us that this should not be happening and we should be working hard to get a settlement to this issue, so these young people do not have to continue to do what they are doing.

Ross Thomson (Aberdeen South) (Con): The biggest current obstacles to advancement of the middle east peace process include Hamas’s rearment drive in Gaza and the long-standing issue of Palestinian incitement. What steps has the Minister taken, alongside his international counterparts, to assist the Palestinian leadership in becoming a viable partner for peace with Israel?

Alistair Burt: There are many obstacles on the way to peace, and certainly one of them remains incitement among some in the Palestinian community, but efforts being made for reconciliation between Fatah and Hamas have to conclude with a process that has led to acceptance of Quartet principles, and we hope that that will provide one further step forward.

Chris Davies (Brecon and Radnorshire) (Con): Does my right hon. Friend agree that the only way to resolve the issue of land borders is through the resumption of direct peace talks without preconditions?

Alistair Burt: Yes, and efforts are continually being made to move forward with the peace process. We await proposals being brought forward by the US envoy very soon, but sooner or later both the Palestinians and the Israelis have to sit down together, because only they can come to the answer they need.

Israel and Palestine: Two-State Solution


The Minister for the Middle East (Alistair Burt): Our long-standing policy in support of a two-state solution is clear. We support a negotiated settlement leading to a safe and secure Israel living alongside a viable and sovereign Palestinian state, based on 1967 borders with agreed land swaps, Jerusalem as the shared capital of both states, and a just, fair, agreed and realistic settlement for refugees.

Kelly Tolhurst: I am pleased my right hon. Friend agrees that a two-state solution is the best way forward for both parties, but the Israeli Justice Minister is recently on record as saying there is not, and never will be, a Palestine state. Will my right hon. Friend join me in expressing concern at the impact these comments have on the prospects for peace and outline how the UK can lead on engagement with those who hold this view?

Alistair Burt: Many statements are made on both sides about whether or not there will be a resolution to the issues between the Palestinians and Israelis, and the United Kingdom is not responsible for them. All the polling done in Israel and Palestine suggests people want a two-state solution. As I indicated before, we will continue to work for that and we hope those in the Palestinian areas and in Israel will also continue to work for the just peace they all deserve.

Wes Streeting (Ilford North) (Lab): But surely the Minister must acknowledge that comments like those from the Israeli Government do not give the impression that they are serious about peace. Does he also agree that the calls by Hamas for acts of violence and rage against Israeli people in the wake of the relocation of the US embassy were wholly contemptible and should be thoroughly condemned by everyone in the House?

Alistair Burt: The danger and difficulty in making statements that are seen to be provocative can be seen in the responses of recent weeks. The United Kingdom is absolutely right to call on all sides not only to refrain from those provocations but to use the renewed interest now in the issues between Israel and the Palestinians as a pressure to push for peace, because that is the only thing that will deal with these issues.

India: Diplomatic Relations

14. Bob Blackman (Harrow East) (Con): What recent assessment he has made of the UK’s diplomatic relations with India.

The Minister for Asia and the Pacific (Mark Field): Our relations with India remain excellent. The UK shares a long-standing and deep friendship with India covering economic and commercial ties, defence and security, and the living bridge of the people-to-people links, as I saw most recently on my visit to New Delhi and Chennai three months ago.

Bob Blackman: I thank the Minister for his answer. This April, Prime Minister Modi will be here once again. His last visit presented an opportunity for a joint address to both Houses of Parliament and an opportunity to interact with the Indian diaspora in this country. What plans are there for similar arrangements to enable us to use this opportunity once again?
Mark Field: I very much agree with my hon. Friend; there is no doubt that India will play a vital role in the Commonwealth Heads of Government meeting in mid-April. We are obviously working closely with our Indian colleagues to develop a full agenda of areas of mutual interest, and I very much hope that we will be able to do something here in Parliament along the lines that my hon. Friend has suggested—although that is a matter for you, Mr Speaker—in the community in London and indeed beyond, where there is a significant number of members of the Indian diaspora.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Given that the Republic of India, a Commonwealth member, has now held my constituent from Dumbarton, Jagtar Singh Johal, in custody without charge for two months, will the Minister tell the House whether the Government’s approach to large Commonwealth states is nothing short of a Faustian pact in which we sacrifice our defence of due process to arbitrary detention on the altar of free-marketeerism?

Mark Field: I really do not think that that is the case at all. The hon. Gentleman has been a steadfast constituency MP on this particular matter. Members might not know that he and I have met in the House of Commons, and I very much respect the way in which he has worked hard on behalf of the Johal family. Mr Johal’s brother is also one of his constituents. I recognise that this is a difficult and distressing time for Mr Johal and his family. Consular staff have visited him on a number of occasions, most recently on 28 December, and I can confirm that there will be a further visit this Thursday, 11 January. I will continue to meet members of the family and the hon. Gentleman, having done so at the end of November, and we are keeping him informed at every stage.

Topical Questions

T1. [903151] Tim Loughton (East Worthing and Shoreham) (Con): If he will make a statement on his departmental responsibilities.

Boris Johnson: I am delighted to hear the news from Madagascar from my hon. Friend, and I certainly hope that it is correct that Madagascar will pursue that, although the procedures with the Commonwealth secretariat must of course be followed, as he would expect. I gather that several countries in Africa are now queueing up to join the Commonwealth.

Liz McInnes (Heywood and Middleton) (Lab): President Trump’s biographer, Michael Wolff, has said that the President’s only interest in a state visit is the opportunity to “Trumpalize the Queen”. I have literally no idea what that means, but will the Secretary of State please save Her Majesty from that unpleasant-sounding ordeal and cancel this wretched visit?

Boris Johnson: I think Her Majesty the Queen is well capable of taking this or any American President in her stride, as she has done over six remarkable decades. She has seen them come and she has seen them go. If the hon. Lady seeks advice on whether to invite the President of the United States to visit this country—she will remember that we are very close allies—I invite her to ask the person next to her, the right hon. Member for Islington South and Finsbury (Emily Thornberry), who said only last year:

“I think we have to welcome the American President to Britain. We have to work with him.”

Those are the words of the right hon. Lady.

T3. [903154] Alex Chalk (Cheltenham) (Con): The “Fire and Fury” book about the Trump presidency has reheated some debunked claims about the role of British intelligence. Although the ordinary stance of the British Government is neither to confirm nor deny, given the highly unusual facts of this case will my right hon. Friend take this opportunity, as the intelligence chiefs have, to slay those myths?

Boris Johnson: As my hon. Friend rightly says, we do not normally comment on such matters, but in this particular case GCHQ made it clear last year that the allegations are “nonsense”, stating:

“They are utterly ridiculous and should be ignored.”

T2. [903153] Ian Murray (Edinburgh South) (Lab): UK humanitarian workers have told us that 10 hospitals in Syria have been directly targeted by Russian and Syrian forces over the past few weeks. These attacks go against the Geneva convention, but they have also left hundreds of children starving and in need of urgent humanitarian help. Will the Foreign Secretary indicate whether he intends to follow through on his previous pledge to donate British troops to UN peacekeeping forces? Will he ask President Putin to desist from doing such things? Will the Minister also ensure that the Geneva process is re-energised?

The Minister for the Middle East (Alistair Burt): The attacks over the Christmas period were deeply distressing. I spoke to some of the medical agencies involved in getting those with medical issues out of eastern Ghouta to seek treatment, and the overwhelming need is for proper humanitarian access to the area. However, as the hon. Gentleman rightly says, the Geneva process, which is being driven forward by Staffan de Mistura and...
reaches its next part later this month, must keep going to try to see an end to this conflict, which is the only thing that will relieve the suffering. The United Kingdom is right behind that process.

T8. [903160] Luke Hall (Thornbury and Yate) (Con): Can my right hon. Friend update the House on what role the Foreign Office played in ensuring the opening of the Yemeni seaport of Hodeidah?

Alistair Burt: Following my right hon. Friend the Secretary of State for International Development’s visits to Djibouti and Riyadh in December, the Saudi authorities announced that the coalition would fully open the Hodeidah port for 30 days from 20 December. From then until now, more than nine ships have docked, delivering food, fuel and coal, and that process is continuing with more ships having been cleared. It is essential that the port remains open after that time, and we are working with others to try to ensure that that will be the case.

T4. [903155] Hannah Bardell (Livingston) (SNP): It has been nine months since my constituent Kirsty Maxwell tragically fell to her death from a balcony in Benidorm and still the family do not know what happened to the clothes on her body when she died or the circumstances of her death. The Minister has been very helpful in trying to assist, but we are no further forward. Will he put more pressure on the Spanish authorities, and will he do a full-scale review of the support that families who have lost loved ones get?

The Minister for Europe and the Americas (Sir Alan Duncan): I fully understand what the hon. Lady says, and we have been working closely on this tragic consular issue. I am happy to offer her a further meeting and to pursue every possible step to go into the details in more depth.

Mr Speaker: I call Chris Green. The fella’s gone.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): The Foreign Secretary recently commented on the immeasurable contribution of this country, and the RAF in particular, to combating extremism in the middle east. However, does he agree that our pausing reluctance to intervene in the first place diminished us and our standing in the region, leading to many more deaths, and that never again should Britain, with all we can offer, be reduced to standing on the sidelines while extremists and despots kill hundreds of thousands of people with impunity?

Boris Johnson: My hon. Friend speaks for many in this House who now regret what happened in 2013 and our failure to stand by our red lines, because many more deaths have occurred than would otherwise have happened.

T5. [903156] Alex Cunningham (Stockton North) (Lab): When he was Foreign Secretary, William Hague described the UN Human Rights Council’s universal periodic review as “a valuable mechanism for holding countries accountable for their human rights record.”—[Official Report, 15 April 2013; Vol. 561, c. 15WS.]

Does the Foreign Secretary agree that the UN periodic review meeting on 23 January provides an opportunity to hold Israel to account for its treatment of Palestinian children held in Israeli military custody, and will he use the meeting to do so?

Mr Speaker: Order. I do not wish to be unkind to the hon. Gentleman—he is a most perspicacious Member of the House—but questions are simply too long at topical questions; topical questions are supposed to be briefer. If we can have brief questions and brief answers, far more colleagues will get in.

Alistair Burt: The council will indeed be used by the United Kingdom to offer a statement in relation to Israel, and the issues raised by the hon. Member for Stockton North (Alex Cunningham) are covered in a number of different ways in our representations to Israel.

Ms Nusrat Ghani (Wealden) (Con): Violence in Iran has escalated. Does the Foreign Secretary share my concern about the reports that 450 Iranians may have been arrested for taking to the streets against a regime that brutalises women and oppresses religious minorities?

Boris Johnson: As I said earlier, I have made it absolutely clear to the Iranian authorities that we believe in and support the right of the people of Iran to demonstrate peacefully in accordance with the law. I will continue to make that point to my Iranian counterparts later this week.

T6. [903157] Wes Streeting (Ilford North) (Lab): Following ministerial appointments since the general election, can the Foreign Secretary provide some reassurance to the House that the Department for International Development has not become a wholly owned subsidiary of the Foreign Office and that aid will continue to be the primary focus of DFID?

Boris Johnson: Most sensible commentators would say it is vital that this Government perform and act overseas as one HMG, and that is what we are doing.

Nadhim Zahawi (Stratford-on-Avon) (Con): The Iranian people quite rightly pride themselves on their educational attainment. How does banning the teaching of the English language in Iranian schools help future generations?

Boris Johnson: My hon. Friend is absolutely right. Of course banning the teaching of English does nothing to help future generations of Iranians. On the contrary, it is likely to impoverish them, and it is something we deeply discourage.

T7. [903158] Laura Smith (Crewe and Nantwich) (Lab): Research conducted by the International State Crime Initiative found examples of four of the six stages of genocide being carried out in Rakhine state against the Rohingya people. What assessment has the Foreign Secretary made of the potential for the other two stages—extermination and “symbolic enactment”—to occur?

The Minister for Asia and the Pacific (Mark Field): I hope the hon. Lady will be assured that we are keeping abreast of the issue of genocide or any sort of referral
to the International Criminal Court. It is obviously difficult because Burma is not currently a member of the ICC. We are working with other countries at the UN to ensure that the very real concerns she expresses are put into place.

Stephen Crabb (Preseli Pembrokeshire) (Con): Ahead of Emmanuel Macron’s first visit here as President next week, will my right hon. Friend the Foreign Secretary reaffirm the importance of a continuing, deep and close relationship between the UK and France? Does he agree that the relationship must get stronger after Brexit, not weaker?

Boris Johnson: My right hon. Friend is absolutely right. The relationship between Britain and France is of huge and historic importance, and it has been intensifying over recent years, particularly in the sphere of defence and security co-operation, following the Lancaster House agreement. I hope he will be pleased by some of the developments and announcements that we will be making on 18 January.

Dan Carden (Liverpool, Walton) (Lab): Will the Foreign Secretary update the House on what discussions, if any, he has had with the Government of Mauritius following the overwhelming decision of the UN General Assembly last year to refer the question of decolonisation and self-determination of the Chagos Islands?

Boris Johnson: As I am sure the hon. Gentleman knows, we believe this case to be without merit and will continue to contest it.

Jeremy Lefroy (Stafford) (Con): Will my right hon. Friend and his colleagues continue their very important support of the political process in the Democratic Republic of the Congo in 2018?

Boris Johnson: We certainly shall.

Mr Pat McFadden (Wolverhampton South East) (Lab): Why are the Government taking legal advice on suing the European Union for preparing to treat Britain as a third country from March 2019 when that is the express intention of UK Government policy?

Boris Johnson: As I am sure the right hon. Gentleman and his constituents would want, we intend to get a superb new relationship, a new deep and special partnership, with our friends and partners in the EU. That is the objective of the negotiations now under way.

Ross Thomson (Aberdeen South) (Con): Can the Foreign Secretary confirm that the United States remains our closest ally and that the special relationship rests on more than just leaders’ personalities—it rests on trade, close military alliances and a shared view of the world?

Boris Johnson: I could not have put it better myself, and I commend again to the House the shadow Foreign Secretary’s wise words that it was the right thing to do to invite the President of the United States to visit this country.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): In response to Kim Jong-un, President Trump, who is apparently “really smart” and a “stable genius” to boot, tweeted: “I too have a Nuclear Button, but it is a much bigger & more powerful one than his, and my Button works!”

What does President Trump have to say or tweet in order for any invitation to visit the UK, for any wedding or otherwise, to be withdrawn?

Boris Johnson: If I understood the hon. Gentleman’s question correctly, he wishes to rescind the invitation to the President of the United States. I do not believe that is sensible. The US is our closest, most important security and economic partner, and will continue to be so.

Bob Blackman (Harrow East) (Con): Given events in Iran, is it not time that the Islamic Revolutionary Guard Corps was a proscribed organisation, with its assets frozen worldwide?

Boris Johnson: I appreciate the sentiment that my hon. Friend expresses. The IRGC clearly does not represent the forces of progress in Iran to which I was alluding earlier. We keep its status for sanctions purposes under continuous review.

Tony Lloyd (Rochdale) (Lab): The situation in Jammu and Kashmir is a human outrage on a regular basis, and the tension between Pakistan and India is threatening world peace. Will the Foreign Secretary use the opportunity of the Commonwealth Heads of Government meeting to bring our good friends Pakistan and India together and move a peace process forward?

Mark Field: I very much hope CHOGM will provide that sort of opportunity. Both India and Pakistan are long-standing friends of the UK. On the issue of Kashmir, as the hon. Gentleman knows, we do not intervene or interfere; it is for those two countries to determine.

Carol Monaghan (Glasgow North West) (SNP): The plight of the Rohingya people continues to shock, particularly as so many of them are unaccompanied children. What discussions has the Foreign Secretary had with his counterpart in Bangladesh to ensure these vulnerable children are protected from traffickers?

Mark Field: I assure the hon. Lady that we have regular conversations; indeed, I am seeing the Bangladesh high commissioner to the UK in my office this afternoon, when this matter will be the first aspect on our agenda.

John Woodcock (Barrow and Furness) (Lab/Co-op): Will the Secretary of State place in the Commons Library details of the number of UK nationals who have been deported back to the UK on suspicion of terrorism in supporting Daesh in Iraq and Syria?

Boris Johnson: I am very happy to do that.

Several hon. Members rose—

Mr Speaker: I am sorry we are so short of time, but I would not want the hon. Gentleman from Northern Ireland to feel excluded. His is the last go. I call Ian Paisley.
Ian Paisley (North Antrim) (DUP): Thank you very much for your kindness, Mr Speaker. The Muslim Brotherhood is a well-financed organisation, and before Christmas the Foreign Secretary made a statement along the lines of, “I will scrutinise their visa applications into the United Kingdom.” What action has been taken as a result of that scrutiny?

Boris Johnson: In addition to looking harder at the visa applications, we are looking harder at the engagement of the Muslim Brotherhood and its associates in charities in this country. I would be happy, pursuant to the answer I gave just a moment ago, to supply further details to the hon. Gentleman of what we are doing in respect of Muslim Brotherhood visas.

Emily Thornberry (Islington South and Finsbury) (Lab): On a point of order, Mr Speaker.

Mr Speaker: If it appertains to the exchanges, we will hear it. I think I heard the right hon. Lady erupt a moment ago—that would be a fair characterisation. If she wishes to erupt on her feet rather than from her seat, that would be good. The Foreign Secretary might think it courteous to stay—he is not obliged to do so, but he is a courteous chap.

Emily Thornberry: On a point of order, Mr Speaker. Rather than erupting, is it in order for me to say to correct the record that I have never thought it was a good idea to invite the President of the United States to the United Kingdom? I thought the invitation was issued with undue haste. Once it has been issued on behalf of Her Majesty, it is very difficult to withdraw it.

Mr Speaker: The Foreign Secretary is beetling to the Box. If he wishes to stand up at the Box to offer us a product of his lucubrations, we will be happy to hear it.

Boris Johnson: I am not exactly sure what is in order here, but doubtless you will guide me, Mr Speaker. I must redirect the right hon. Lady and indeed the House to her words of 14 May 2017 on the “The Andrew Marr Show”, when she said:

“I think we have to welcome the American President to Britain. We have to work with him.”

I rest my case. [Interruption.]

Mr Speaker: Order. I think honour is served. The shadow Foreign Secretary has offered us her thoughts and the Foreign Secretary has, with some alacrity, beetled back to the Box in order to respond. I think we should, at least for today, leave it there.
BBC Pay

12.40 pm

Hannah Bardell (Livingston) (SNP) (Urgent Question): To ask the Secretary of State for Digital, Culture, Media and Sport if he will make a statement on the accusations of unfair pay at the British Broadcasting Corporation following the resignation of China editor, Carrie Gracie.

The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock): Like most Members, I strongly support the BBC, and I think most of the licence fee payers who fund it, would go so far as to say that I love it. Perhaps now in this digital age more than ever, if the BBC did not exist, we would need to invent it. But, as a treasured national institution, the BBC must not only uphold, but be a beacon for, the British values of fairness that the nation holds dear. Those values include fair pay and equal pay for equal jobs.

By introducing reforms to the BBC charter, the Government, under the leadership of my two predecessors, have vastly improved BBC transparency and shone a light on gender and pay issues at the BBC. This new transparency includes the requirement for the BBC to publish annually the salary details of all BBC staff who are paid more than £150,000. Despite the publication of such details for the first time in July last year, the figures do not necessarily explain his salary of £600,000.

The BBC’s overall gender pay gap stands at around 9%, but the figures also show that two thirds of those who earn more than £150,000 are men, and reveal a lack of staff from black, Asian and minority ethnic backgrounds among the top earners. At the time of the publication of the salary details, some male presenters were understandably uncomfortable with the results. John Humphrys even acknowledged that he would not necessarily be able to explain his salary of £600,000.

This is not just a matter of levelling women’s pay up; it is a matter of pay equality. To work for the BBC is a public service and a great privilege, yet some men at the BBC are paid far more than other equivalent public servants. The BBC has begun to act, and I welcome that, but much more action is needed, especially when BBC foreign editors can earn more than Her Majesty’s ambassadors in the same jurisdiction.

With respect to the specific case of Carrie Gracie, I welcome the Equality and Human Rights Commission’s decision to look into the issues she has raised. The EHRC is the regulatory body responsible for the policing of equal pay and it is for the commission, not the Government, to investigate this matter and take further action, if necessary.

Of course, the BBC is operationally and editorially independent of the Government—and rightly so. The director-general has commendably committed to sorting out this issue by 2020, and we will hold him to that. I understand that the BBC’s report about on-air presenter salaries will be published in the next few weeks, but we expect the BBC to observe pay restraint and to deliver value for money for licence fee payers. We will watch closely. The BBC must act, because the brilliant women who work at all levels of the BBC deserve better.

Hannah Bardell: I wish you, Mr Speaker, and your team a happy new year and all the best for 2018. I congratulate the right hon. Gentlemen on his new role as Secretary of State. I am glad that he is on his feet so soon after his appointment.

The resignation of the BBC’s China editor, Carrie Gracie, over the gender pay gap at the BBC has shocked and saddened us all, and I welcomed what the Secretary of State said. He may be interested to know that I received a rather unfortunate comment from the BBC earlier, which said:

“On air colleagues who have been seen to campaign on the issue of BBC equal pay have to question whether or not they would be regarded as impartial by audiences when covering the story.”

Does the Secretary of State agree that instead of carping or attacking its own people, the BBC, as a publicly funded organisation that does not pay equally, should be getting its own house in order?

I pay tribute to Carrie Gracie, who will be a huge loss. She has shown great bravery and determination on this issue. Her letter makes for staggering and shocking reading. It says:

“Because of the disclosures the BBC was forced to make six months ago revealed not only unacceptably high pay for top presenters and managers but also an indefensible pay gap between men and women doing equal work. In the past four years, the BBC has had four international editors—one man and three women. The Equality Act 2010 states that men and women doing equal work must receive equal pay. But last July I learned that in the previous financial year, the two men earned at least 50% more than the two women.”

How many talented women need to resign and be lost before the BBC and other media organisations take action? The Secretary of State has said that he will challenge them, but what tangible action will we see from him, his Government and the BBC? It is now 100 years since women got the vote. We have come a long way, but why does it feel like so many in the establishment are stuck in the past?

Matt Hancock: I share the hon. Lady’s outrage at what we have discovered, and I underline that we have discovered it only because of the transparency measures that were brought in by this House, led by my predecessors, during the royal charter process. She asks specifically about editorial guidelines. They are a matter for the BBC. It is understandable that it might say that people with a strong view should separate that view from their impartial delivery of news, but I would ask whether they observe that in every case, as well as cases about just the BBC.

Damian Collins (Folkestone and Hythe) (Con): I, too, congratulate the Secretary of State on his appointment.

The Digital, Culture, Media and Sport Committee decided this morning to invite the director-general to come and account for the BBC’s actions on gender pay since the publication of salaries last summer. It is important to see what progress it has made as well as what more needs to be made. Does the Secretary of State agree that this case underlines why we were right to insist on full disclosure of top pay, and not just for executives, but for on-screen talent?

Matt Hancock: I strongly agree with the Chair of the Select Committee, and I welcome his Committee’s scrutiny of this. The BBC resisted the transparency measures, and we are starting to see why.
Tom Watson (West Bromwich East) (Lab): Happy new year, Mr Speaker. May I start by offering my congratulations to the outgoing Secretary of State, the right hon. Member for Staffordshire Moorlands (Karen Bradley), on her new role? I also congratulate the new Secretary of State, who, unlike Carrie Gracie, has not turned down a £45,000 pay rise this week. He tweeted yesterday about how humble he was—something he has become well known for in recent years—but I know how important this promotion will be for his fragile self-esteem.

We still live in a society in which confident men who believe in their own self-worth tend to rise to the top, or stay in position despite failure after failure, while talented women are more easily undervalued or forced out—but enough about the Prime Minister’s reshuffle. Carrie Gracie’s resignation as the BBC’s China editor highlights the issue of unequal pay in the BBC, in broadcasting and in society more generally, and we all have a role to play in stamping that out. Lord Hall said last year that he is determined to close the gender pay gap at the BBC, but this story shows that there is still a very long way to go.

Carrie Gracie says in her public letter that she told her bosses when she took the job of China editor that she expected pay equality with her male peers and that she believed she had secured it. Does the Secretary of State believe that the corporation is, as Carrie says, in breach of equality legislation? How can employees of less transparent media companies know whether their employers are complying with equality law? The BBC is accountable to the public and we know more about the pay gap there than we do about the pay gap in other organisations. Is the Secretary of State confident that female staff in other broadcasters and media companies are paid as highly as their male colleagues? Will he call them in to encourage them to be as transparent as the BBC? What will he do to ensure that this story is used not just to criticise our national broadcaster, as other organisations, but other public organisations have failed to intervene on the BBC but has been placated by a BBC-funded internal review, which has clearly not tackled the problem? What is my right hon. Friend doing to ensure that the Equality and Human Rights Commission performs its statutory duties and uses its statutory enforcement powers to protect women facing these sorts of problems in not just the BBC, but many other organisations?

Matt Hancock: I pay tribute to the work of my right hon. Friend—my predecessor—who has brought to the EHRC’s attention the importance of acting in this case. It has a statutory duty to act when it sees unequal pay, and I am glad that, as of this morning’s announcement, it is taking that forward.

Brendan O’Hara (Argyll and Bute) (SNP): May I add my congratulations and best wishes to the Secretary of State as he takes up his new position? Does he agree that, as a publicly funded institution, the BBC has to be both transparent and accountable and that the existence of this secret gender pay gap in the corporation shows that it has been anything but? Perhaps that would explain why the BBC management were so vehemently opposed to having to publish how much the BBC pays its top-earning presenters. I am sure the whole House will join me in thanking my predecessor, Mr John Nicolson, and the Select Committee on Culture, Media and Sport for their work in exposing this scandal. Does the Secretary of State believe that the BBC has acted unlawfully in this matter? Is he confident that the BBC should continue to police itself in such matters? Iceland now insists that all companies with more than 25 employees obtain Government certification of their equal pay policies or face heavy fines. Does he believe it is time that the UK followed suit?

Matt Hancock: Given the action that Conservative Members have taken to bring this transparency to the BBC, one would have thought that the Scottish National Party might say that that was a good idea or welcome it. We strongly support the BBC, but we also believe that it is acting in its own self-interest by sorting out these sorts of issues, and we will make sure that it does.

Mr John Whittingdale (Maldon) (Con): I, too, congratulate my right hon. Friend on his appointment to what is one of the best jobs in government. I also wish his predecessor every success in what is one of the most challenging.

Does my right hon. Friend agree that it is not good enough for the BBC to say that its performance in this area is better than that in many other sectors? Does he share my view that it is because the BBC is funded by
public money that we are entitled to expect it not just to adhere to the requirements of the law, but to set a higher standard that others can then follow?

**Matt Hancock:** It is not just because the BBC is a public organisation and the people who work there are public servants that it has a higher obligation than private organisations; it is also because the nature of the BBC is to reflect on to the nation—and indeed the world—the values that we hold dear, and it must live up to those values.

**Ms Harriet Harman** (Camberwell and Peckham) (Lab): What we should be doing today is thanking Carrie Gracie for the principled stand that she has taken. She has done this on behalf of not just women in the BBC or in broadcasting, but women throughout the country who suffer pay discrimination. As a broadcaster and a journalist, she is exceptional, but as a woman facing entrenched pay discrimination, I am afraid she is the norm.

When it comes to transparency and the requirement under the Equality Act 2010 to publish the pay gap, the Secretary of State rightly says that it is for the regulator, the Equality and Human Rights Commission, to police and monitor the position to ensure that companies publish and set targets for closing the gap. To ensure that the Government can carry out the important task of remedying this discrimination, will he commit them to redressing the cuts of up to 70% that have fallen on one organisation?

**Ms Harriet Harman** (Camberwell and Peckham) (Lab): In response to the Secretary of State, perhaps I should explain some of the measures that are being taken by the Government. First, the Government have committed to publishing the pay gap at the BBC and throughout the country. This is an important step, but it is not enough. The Government must also set targets for closing the gap and ensure that companies are making progress towards those targets.

**Matt Hancock:** I pay tribute to the leadership that the right hon. and learned Lady has shown on this issue in government and since, because making sure that an equality of opportunity pervades our country is important, and that means gender equality, too. She has rightly been an outspoken voice in favour of gender pay equality and equality across the board. On the EHRC, this is about its actions. It has a duty to act, and now it is indeed acting, and that is a question of judgment as much as resources.

**Philip Davies** (Shipley) (Con): I congratulate my right hon. Friend on his appointment. The BBC has been run like an old boys’ club for far too long, not least with Lord Hall’s appointment of James Purnell to a very highly paid job without that even being advertising to anyone else. I am sure that there was a far better qualified woman who would have wanted it, although I do not believe anyone on the Opposition Benches complained about that at the time. Does my right hon. Friend agree that it is not that women at the BBC are paid too little, but that many men at the BBC are paid too much and it is those salaries that should be levelled down? Does the Secretary of State also agree with Carrie Gracie that in this regard the BBC has been acting illegally?

**Matt Hancock:** I will leave that last point to the EHRC. On my first day in this job, I did not expect to be lobbied in favour of women’s rights by my hon. Friend, but I am glad to see progress pervading even our own Back Benches, and he certainly has a point. This is not just about levelling up women’s pay and paying women more; it is about equal pay and appropriate levels of pay in an organisation that is funded by licence fee payers who want to have a television, whether they like it or not.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): Like the Secretary of State and his predecessor, both of whom I congratulate, I love the BBC. I also stand with Carrie Gracie, as I think most people across the country will, on equal pay. She says in her letter that “the BBC often settles cases out of court and demands non-disclosure agreements, a habit unworthy of an organisation committed to truth”.

That issue applies not just to the BBC, but to other broadcasters and companies right across the country. If we are trying to get transparency in equal pay, does the Secretary of State think it is a serious problem if so many employers pursue non-disclosure agreements when it comes to pay claims?

**Matt Hancock:** We should use whatever tools are at our disposal to ensure that we have the right level of transparency. We want to ensure that this work takes place across the board at the BBC and other places, and it is important that every case is looked at, rather than just individual cases. There might be individual circumstances in which an NDA is appropriate, but we need to be careful to ensure that a systemic problem is not hidden by the overuse of such agreements.

**Mrs Anne Main** (St Albans) (Con): I am sorry to disagree with the Secretary of State in his first few hours in office, but I would not reinvent the BBC as it is now. It resisted all the way taking the threshold down to £150,000, so that we would actually know what was going on. The fact that it tried to solve the problem with Carrie Gracie with a bung of £45,000 says to me that there is an endemic problem: the BBC does not understand and it does not get it. Some of the men are overpaid. The fact that the BBC did not wish to address this issue until it was forced into it shows that we need a root-and-branch analysis of what is going wrong in the BBC.

**Matt Hancock:** I agree that a root-and-branch analysis is needed and must happen. There is of course much more to the BBC than just the high pay. There are the local stations and the local work, which receive far less scrutiny than many of these issues at the top. We must ensure that the solutions brought by transparency for top pay apply throughout the organisation, and apply to presenters and off-air staff right across the BBC, and not just at the top.

**Christine Jardine** (Edinburgh West) (LD): I add my congratulations to the Secretary of State. Does he share my deep disappointment in my former employer’s clumsy memo reminding staff of the need for impartiality on this matter at a time when it is facing criticism over the gender pay gap? Does not that call into question the corporation’s attitude to reporting to the Government on this issue, and indeed to the Equality Act itself?

**Matt Hancock:** The BBC appears to have demonstrated more enthusiasm for ensuring that those editorial guidelines are put in place on this matter than on many others.
Dr Andrew Murrison (South West Wiltshire) (Con): My right hon. Friend is right to suggest that the problem is not principally that women are paid too little in organisations that are, in one way or another, funded by the public, but that men are paid far too much. What cognisance has he taken of organisations beyond the BBC, such as universities, that are quite egregious in this matter, and what does he think can be done to sort it out?

Matt Hancock: Over the past seven or eight years, we have brought in measures to ensure that people in the public sector are paid appropriately and that there is much more transparency. We implemented those measures in the civil service and in other areas of public life, so that there was not this problem of too high pay at the top, but some organisations have not implemented the same sorts of approaches, and now, where a body is funded by the taxpayer or licence fee payer, the problems of ignoring the need for that restraint are being brought into the light.

Stella Creasy (Walthamstow) (Lab/Co-op): I join others in welcoming the new Secretary of State. I appreciate that today is only his first or second day in office, but as he goes through his brief he will realise that, thanks to the agreement between the Secretary of State and the BBC, he has the power to give a direction to the BBC about equality of opportunity. Will he use that power to ensure that every member of staff at the BBC—male or female—is able to exercise freedom of expression at work, and protect their right to speak out as the best way to get transparency?

Matt Hancock: I certainly want to make sure that this issue is properly and rightly aired. In ensuring proper reporting, which is the question that the hon. Lady was asking, we must make sure that the BBC is objective about itself. That is a difficult thing to pull off, but it is very important that the BBC does it.

Sir Mike Penning (Hemel Hempstead) (Con): May I say to the new Secretary of State that some of us—perhaps across the House and perhaps some here on these Benches—do not share quite as strongly the love for the BBC that he, in his first couple of days in the job, has shown? At the end of the day, we are talking about the top end of pay, but I agree with the shadow Secretary of State that this must be going on across the pay bands in the BBC. The BBC is under a charter from this House; we could change that at any time we wished to make sure that it publishes and shows everything, so that there is equality across the pay bands for contractors as well as those at the top end.

Mr Speaker: There might have been a question there, but if there was it was very heavily disguised.

Matt Hancock: My hon. Friend is absolutely—

Sir Mike Penning: Right honourable.

Matt Hancock: My right hon. Friend is absolutely right that this is a question about fair pay at all levels, and not just at the top.

Jess Phillips (Birmingham, Yardley) (Lab): I am both right and honourable on this matter, which not everyone can say. The point about it being a problem at the BBC is writ large in the debate today. My inbox is full of emails from women having to sign non-disclosure agreements for all sorts of reasons, equal pay among them, so we must be careful that we do not bash the BBC unnecessarily. However, Evan Davis talked about this while presenting “Newsnight” last night, after going on Twitter and giving his very clear opinion, which was neither right nor honourable. Why has he not been silenced when women who have spoken up as part of the campaign group have been taken off the air? What will the Secretary of State do in his brand new shiny role to make sure that women are not being silenced on this issue at work? Will he send a message to all the women who have emailed me—the ordinary women of the UK—that in the first equal pay issue seen under the new legislation, we will not allow them to be silenced, and we will not send the message that, “If you speak up, you’re out.”?

Matt Hancock: We will not allow unequal pay to pervade the BBC or any other organisation. We have brought in rules and strengthened them across the economy and especially at the BBC. We are proud of the transparency that we have brought, and we will get to the bottom of the matter.

Steve Double (St Austell and Newquay) (Con): Does my right hon. Friend agree that the events of the past few days show that the Government were absolutely right to insist on a pay transparency level of £150,000 a year, and not the £400,000 a year that the BBC wanted?

Matt Hancock: My hon. Friend is absolutely spot on. Without that decision and without the support to bring down the threshold to £150,000, there would still be silence on this issue, and now there is not, which is good.

Sarah Champion (Rotherham) (Lab): This urgent question plus the gender pay gap figures released at the weekend show that gender assumptions across the UK are still pervasive—assumptions about what a woman is worth, what her potential is and what she can aspire to. What will the Minister do in his new role to tackle those assumptions?

Matt Hancock: Getting to the bottom of this problem in the BBC is not just important for the BBC itself and for all the brilliant women who work in the BBC and who are not paid as much as their male counterparts doing the same job. It is symbolic across the whole country and shows that we believe in the equality of opportunity and in people being paid fairly. Gender should not define how much an individual is paid.

Kevin Foster (Torbay) (Con): Certainly, this debate shows why it was absolutely right to insist that the threshold for disclosure was £150,000. The whole point...
was to engender a debate about what it is right to pay people at the BBC—an organisation to which we are forced to contribute. Does the Secretary of State agree that the priority will be to ensure that pay is not only equal on a gender basis, but proportionate, given that some of the salaries that we have seen are almost impossible to defend?

**Matt Hancock:** My hon. Friend is absolutely spot on.

**Chris Bryant (Rhondda) (Lab):** I warmly congratulate the Minister on assuming his new job, but I did not like the tone he adopted when he said that he was delighted that this issue was going to be “aired”. There is no point in airing it, because we have been airing it for decades now. The point is actually to bring about change. Perhaps Carrie Gracie should be made chair of the BBC; perhaps she should be given a role specifically to bring about change in the organisation. In the end though, are not some of the men, such as John Humphrys, going to have to say, “You know what? I am paid too much. I should take a 50% pay cut.”?

**Matt Hancock:** The hon. Gentleman makes a very interesting suggestion. It is not true that this issue has been aired for decades. This information has been in the public domain only since last July, because of the actions that we took to insist on transparency, so while the broader issue may have been discussed, we have not had the details to hand in the public debate. That is very important, because it is only once something is measured that it can be managed.

**Mr Speaker:** Order. I hope I can be forgiven for making the point that if the Secretary of State was so keen for the issue to be aired in the Chamber, he could have volunteered to make an oral statement to the House. The reason why the issue is being aired in the Chamber today is that somebody—namely, the hon. Member for Livingston (Hannah Bardell)—applied for an urgent question and I granted it. I massively welcome the right hon. Gentleman’s participation, but I think it is quite important that the public should know how this matter has come to be aired in the Chamber today.

**Mr Philip Hollobone (Kettering) (Con):** In Britain in 2018, we have the unbelievably absurd situation where it remains a criminal offence not to pay a licence fee to an organisation that has institutionalised gender pay inequality. Will the Secretary of State invite Lord Hall to his office for an interview without coffee to explain urgently that the situation is unacceptable and needs to change well before 2020?

**Matt Hancock:** I certainly hope that the BBC can act before 2020. Lord Hall has, indeed, said that he wants to act before then, and I will be taking this matter up with him. On your point, Mr Speaker, of course I welcome the urgent question and I am grateful to you for granting it.

**Mr Speaker:** That is extremely gracious of the Secretary of State; I thank him.

**Lucy Powell (Manchester Central) (Lab/Co-op):** Further to the question from my hon. Friend the Member for Birmingham, Yardley (Jess Phillips), will the Secretary of State now very clearly join us in saying that it is not acceptable that women who speak out on these issues are now facing barriers at work and questions about whether they can carry out their duties and whether or not they will progress in their careers? A very clear message needs to come from this place that that is not acceptable.

**Matt Hancock:** I am sure that the BBC will have heard the strength of feeling in this House that the hon. Lady has just articulated.

**Dr Caroline Johnson (Sleaford and North Hykeham) (Con):** Like the new Secretary of State, I love the BBC, but I welcome the approach he has taken to ensure that there is full transparency regarding how public money is spent. When spending public money, it is important to ensure both that there is gender equality and that the wages are justified. Will he be asking the BBC to justify why some stars are paid 25 times as much as we pay a transplant surgeon and 80 times what we pay a nurse?

**Matt Hancock:** My hon. Friend brings up reasonable comparisons. I compared the pay of foreign ambassadors with that of BBC editors. All these jobs are in public service, and when one is in the service of the public, restraint is necessary.

**Jo Stevens (Cardiff Central) (Lab):** May I take the Secretary of State back to the role and capacity of the Equality and Human Rights Commission? Not only has its funding just been cut, but it is running short of board members because a number of experienced candidates who have been on the board have been veted for reappointment as a result of Cabinet Office decisions. What is he doing to talk to his colleagues in the Cabinet Office to ensure that people such as Sarah Veale, former head of equalities at the TUC, are not vetoed for appointment, so we can have expertise such as hers on the board?

**Matt Hancock:** As I said before, it is a question of judgment. I think the EHRC made the right judgment in announcing this morning that it is going to investigate the matter.

**Mark Menzies (Fylde) (Con):** I was a member of the Committee on the Digital Economy Act 2017—the legislation brought about this change—so I thank the Minister for steering it through, in the teeth of resistance from the BBC. As several people have already said though, this is not just about how much women are paid; it is about pay equality full stop. It is about ensuring that everyone throughout the BBC gets equal pay. Will the Minister now really endeavour to ensure that everyone throughout this public sector organisation—not just the high-profile figures in front of the camera—gets equality within the law?

**Matt Hancock:** Yes, I agree with my hon. Friend. Sometimes the Committee work of this House is overlooked, but my hon. Friend gives a good example of a measure that was properly scrutinised in Committee, put into the Digital Economy Bill and made law, thanks to the work in Committee of Members on both sides of the House, including my hon. Friend, to whom I pay tribute.
Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Carrie Gracie is indeed to be praised for her stand on gender pay equality and for her comments more generally on pay equality. In her interview last night on “Channel 4 News”, she stated that her actions were not a personal plea for more money; indeed, she said that there may need to be a pay cut for all at her grade at the BBC to combat the pay inequality, which has risen in many organisations, including the BBC, over the past few decades. Is it not time that, as well as ensuring 1:1 gender pay ratios, the Government moved to ensure the fairness of ratios between the top and the bottom in many organisations such as the BBC, banks and many other companies? Wage inequality in this country has become staggering in the past few decades.

Matt Hancock: I welcome calls for pay restraint in public bodies from all quarters, including from the hon. Gentleman.

Mims Davies (Eastleigh) (Con): I declare two interests as chair of the all-party parliamentary commercial radio group and the former proud owner of a BBC pass. I strongly welcome pay transparency as the BBC is a publicly funded body. We are now in a very disappointing place. Does the new Secretary of State recognise that, despite what the Government have done, it is astonishing that we would not have discovered this underlying disparity without the singular bravery of individual women?

Matt Hancock: Yes. I pay tribute to my hon. Friend, who has worked hard on this issue during her time in the House. I also pay tribute to Carrie Gracie for her bravery and her actions.

Diana Johnson (Kingston upon Hull North) (Lab): Why does the Secretary of State think that it will take Lord Hall until 2020 to sort this out? It is an injustice. Surely the Secretary of State should tell Lord Hall to sort it out now.

Matt Hancock: It is, of course, for the commission to tell Lord Hall that. We have to be careful to ensure that the relationship between the Government and the BBC is proper, because the BBC is a public broadcaster, not a state broadcaster. The action that the Chair of the Select Committee on Digital, Culture, Media and Sport has announced—calling Lord Hall and potentially others to give evidence—will ensure that they can be held properly and directly to account.

Rebecca Pow (Taunton Deane) (Con): All credit to the Digital, Culture, Media and Sport Committee and the Government for exposing the problem we are talking about today. Pay ought to be linked to ability and experience, so it cannot be right that men in the BBC are so often paid more than women with the same ability and experience. Does the Secretary of State agree that the BBC must be held to account and soon, and that questions need to be asked about why the BBC has suppressed coverage of this story?

Matt Hancock: I think that there is plenty of coverage of the story. No doubt the House has aired the issue and will air it again, should we so choose. The Select Committee has done a good job and I look forward to its further work. I know that my hon. Friend, who is a member of the Committee, will do that work extremely well.

Ian Paisley (North Antrim) (DUP): I, too, congratulate the Secretary of State on his new appointment; I wish him well. Indeed, I also wish his predecessor well in her new role of power behind the throne in Northern Ireland. Does it not trouble the Secretary of State that the BBC’s suggested solution to Carrie Gracie was to give her a bung in excess of twice as much as the national average wage of people across the whole United Kingdom? Surely that highlights a systemic problem at the heart of the BBC and how it tries to solve problems.

Matt Hancock: I strongly agree with my hon. Friend. It matters because this is not just a case of putting women’s pay up; it is a matter of pay equality, of which pay restraint is an incredibly important part.

Julian Knight (Solihull) (Con): Does the Secretary of State share my disquiet, as an ex-BBC journalist, about any attempts in BBC policy to stop reporters reporting on this issue? Does he also share my concerns that a culture of unequal pay and ageism against women runs throughout the organisation right down to broadcast assistant level and does not just affect a few household names at the top?

Matt Hancock: It is incredibly important that the BBC recognises the level and strength of feeling in this House among people who have long championed the BBC, people who have long disagreed with the BBC, people who have been employed by the BBC and people who have never been employed by the BBC that the BBC must get to the bottom of this, root and branch.

Helen Goodman (Bishop Auckland) (Lab): When my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) brought before this House the Equality Act 2010, which provides for gender pay audits on every organisation employing more than 250 people, the Tories voted against it. Will the Secretary of State now say whether he thinks that that was the right thing to do?

Matt Hancock: I am a very strong believer in equal pay and tackling discrimination, because I believe in the equality of opportunity—wherever someone comes from and whatever their gender, sexual orientation or race. Those are the values that will guide me in this role.

Tom Pursglove (Corby) (Con): Should the BBC not sort out its act, is my right hon. Friend willing to take further steps?

Matt Hancock: Yes.

Tracy Brabin (Batley and Spen) (Lab/Co-op): The gender pay gap will never be tackled in big organisations like the BBC so long as women end up with disproportionate responsibility for childcare. Given that, does the Minister agree that the Government’s decision to reject a series of recent recommendations to close the gap, including three months’ maternity leave, means that the gap at the BBC and further afield will never close?

Matt Hancock: I am afraid that I dispute the premise of that question, because no Government have done more than this Government over the past seven years to bring in equal pay and maternity leave, and more of it, so that men and women can be more equal in the workplace. I was one of the first to be able to take advantage
of more, and equal, paternity leave when my wife had a child. It is incredibly important that we tackle these issues, and nobody has done more than we have.

Henry Smith (Crawley) (Con): The Secretary of State is absolutely right that the BBC must comply with gender equality legislation with regard to pay. More than that, given the large salaries paid to some of the top presenters, will he send a very strong message to the BBC that it should be redeploying some of that resource to BBC local radio, which does so much to provide local information and entertainment on a pittance?

Matt Hancock: Yes, I agree incredibly strongly with that. The local news, and local TV and radio, are a vital part of what the BBC does. As we devolve more and more power locally, they are more and more important. I am very glad that the BBC recently announced that it was not going ahead with the cuts it previously proposed to local radio. Those cuts were completely unnecessary because the BBC has a very generous licence fee settlement. I am glad that it is now going to strengthen, not weaken, that local provision.

Julie Elliott (Sunderland Central) (Lab): I congratulate the Secretary of State on his new position and look forward to his first outing in front of the Digital, Culture, Media and Sport Committee. I want to put on record my praise and respect for Carrie Gracie for what she said yesterday: she is an outstanding woman. This is not about equal opportunity, as the Secretary of State has said many times that it is— it is about equal pay for work of equal value, right across the organisation. This has been known about for six months and the BBC has done nothing. It is illegal not to have equal pay. What are the Government going to do to bring pressure to bear on the BBC to act?

Matt Hancock: I agree that it is about equal pay for equal jobs, as I said right from the outset, and of course that underpins equal opportunity. On what we are going to do, the first thing we have done is brought in transparency. We are going to see what the BBC says in the next few weeks, when it will publish more on on-air presenters, and we do not rule anything out.

Huw Merriman (Bexhill and Battle) (Con): With some trepidation, I declare my interest as chair of the all-party parliamentary group on the BBC. The BBC promises to publish pay gap data and an independent audit on pay. This it has done, and the independent legal and accountancy firm doing the auditing found no systematic gender discrimination. The final review of presenters, editors and correspondents will be published shortly. Given that the BBC is required to deal in facts, does my right hon. Friend agree on the need to wait for that review before this House rushes to judgment?

Matt Hancock: Of course the BBC has to deal with this objectively, but some very serious allegations have been raised. The BBC has said that it is going to get to the bottom of it. It must get to the bottom of it, and we will hold it to that.

Deidre Brock (Edinburgh North and Leith) (SNP): I, too, declare an interest as a member of the APPG on the BBC. As such, I, too, welcome the BBC’s commitment to publish gender pay gap data and its independent audit of pay for most of its staff. However, the problem is that the BBC is in breach of the Equal Pay Act 1970. Surely 47 years is enough time to get its house in order.

Matt Hancock: One might have thought so. Now, thanks to the transparency measures that we have brought in, we are going to make sure that that happens.

Vicky Foxcroft (Lewisham, Deptford) (Lab): The BBC website reported yesterday that since 2011 so few equal pay cases have been formally recorded as having a successful or an unsuccessful outcome at tribunal that the Ministry of Justice has both figures at 0%. We know that these figures do not reflect the reality and that a large proportion of cases are either withdrawn or settled away from tribunal. Does the Secretary of State agree that this method of reporting prevents us from having a true understanding of the actual figures involved?

Matt Hancock: We have brought in stronger laws to ensure that there is transparency, not only at the BBC through the royal charter but statutorily for all large organisations. We have taken action in this area because it is very important to get to the bottom of it.

Peter Grant (Glenrothes) (SNP): Gender pay discrimination is partly a symptom of a much wider problem of sexist attitudes that prevail in too many large organisations. May I remind the Secretary of State that it is less than 24 hours since a colleague of his at the Dispatch Box defended the appointment of Toby Young as universities regulator for England, and less than two hours since another colleague at the Dispatch Box defended the offer of a state visit to Donald Trump? While I would agree with a lot of the Secretary of State’s criticisms of the BBC, will he not accept that if the Government are going to throw stones at the BBC, they should get out of the glass house they are in and stop rewarding such blatant and horrific examples of sexist behaviour elsewhere?

Matt Hancock: As I say, tackling the sort of unequal pay that we have seen at the BBC is very important. That is why we brought in the measures that we did, which I took through Parliament as the Bill Minister and which we are very proud to have brought in.

Mike Kane (Wythenshawe and Sale East) (Lab): Sky News did some research in the summer that showed that the vast bulk of the best-paid BBC journalists went to a private or selective school and that we can count on the fingers of one hand those who did not. Does the Secretary of State agree that while there is much merit in pursuing this case, we have to end the self-serving, self-selecting elite bias in the appointments to some of the best-paid public sector jobs in this country?

Matt Hancock: I have a lot of sympathy with what the hon. Gentleman says. Making sure that we have equal opportunities is not only about the protected characteristics in the Equality Act; it is also about social background and making sure that people from all backgrounds get an equal chance.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his responses so far. The BBC has been guilty of discrimination and a gender pay gap differential. The national average gap of 18.1% is wrong, but it is...
hard to understand the satisfaction that the BBC seems to have and the feeling that 9.3% is not too bad. Does the Secretary of State agree that whether the figure is 18.1% or 9.3%, the BBC needs to put in place action to ensure that all receive equality of pay immediately?

Matt Hancock: The BBC would do well to reflect on the discussions that we have had in this House this afternoon, where we have seen, unless I am mistaken, unanimity from every single Member in demonstrating the need for action that we, as a House, hold to. The defence that, as an organisation, it is better than others and better than the average is frankly not good enough, not just because everybody should be doing better, but because the BBC should be held to a higher standard as a treasured national institution and our national broadcaster.

Parole Board and Victim Support

1.28 pm
The Secretary of State for Justice and Lord Chancellor (Mr David Gauke): With permission, Mr Speaker, I should like to make a statement on the Parole Board’s decision to release John Worboys and the Government’s response to the issues raised by this case.

I should like to start by echoing the statement made by my predecessor at the weekend, and expressing my unreserved sympathy to all the victims. They will never erase the emotional trauma of John Worboys’ crimes, and the Parole Board’s decision to order his release must have brought back painful memories. These were horrific crimes, and I take the concerns raised, including by many colleagues in the House, very seriously.

John Worboys was convicted of 19 offences in 2009, and received an indeterminate sentence of imprisonment for public protection with a minimum tariff of eight years in custody. Following the expiry of the tariff, he was eligible for review by the Parole Board, which was required to consider whether to release him. The board reviewed his case at a hearing on 8 November 2017, by which time he had served 10 years in custody, including a period on remand. A three-person panel considered a detailed dossier of evidence. Its subsequent decision to release him was communicated to my Department on 3 January.

There are two main concerns in respect of the contact with victims that I think it essential to address today: whether the correct procedures were followed in this case, and whether those procedures are right or improvements are needed. Turning first to whether procedures were followed in this case, all victims of the crimes for which John Worboys was convicted have a statutory right to receive information about parole hearings and decisions under the victim contact scheme. On the basis of the information I have received since arriving in the Department yesterday, it appears that, in relation to these victims, those who opted to remain in contact via the VCS were informed of the parole hearing. Of the victims currently in contact with the scheme, those who chose to be informed of the Parole Board decision by phone or email were contacted immediately on 3 January, although I have just become aware of the case of a victim who did not receive the email. Letters were also sent immediately to those who chose to be informed that way, but these of course took longer to arrive. Some victims entitled to this contact chose not to opt in, which is of course their right.

Any victims whose crimes were not prosecuted do not fall within the statutory remit of the VCS, so the arrangements are different. Discretionary contact can be considered, but in this instance, the National Probation Service has no record of any requests for discretionary contact.

While it appears that the correct procedures were followed, the fact that some victims learned of the decision from the media suggests that there is a need to review those procedures and examine whether lessons can be learned and improvements can be made. It is a priority for this Government that victims of rape and sexual assault have full confidence in the criminal justice system. Sentence lengths for these horrific crimes have increased by over 30% since 2010 and more victims are coming forward, but there is still more to do.
I should be absolutely clear that I think the Parole Board should remain an independent body, responsible for making decisions about the ongoing risk that individuals pose after serving their tariff. However, I agree with my predecessor’s assessment that there is a strong case to review the case for transparency in the process for parole decisions and how victims are appropriately engaged in that process, and to consider the case for changes in policy, practice or Parole Board rules or other guidance or procedures, including the victims code.

With that in mind, I can confirm that I have instructed my officials to establish a review to examine these questions, and I will share more information on this shortly. I think it is appropriate that the Department leads this work, but that it consults victims’ groups and others. I have spoken to the Victims’ Commissioner, Baroness Newlove, and the chair of the Parole Board, Nick Hardwick, to discuss what changes we could make and how best to draw on their expertise and insight in this review. Finally, I note that the Chair of the Justice Committee, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), has signalled his intention to hold an evidence session, and my Department stands ready to provide the Committee with any information it may require.

I intend to prioritise this review, and it will conclude before Easter. I hope that this course of action reassures the House of the importance and priority I attach to the issue. As such, I commend this statement to the House.

1.33 pm

Richard Burgon (Leeds East) (Lab): I welcome the new Secretary of State to his post, and I thank him for advance sight of the statement.

Our criminal justice system must always have the interests of the victims of crime at its heart. It is all too clear that victims of the vile crimes committed by John Worboys feel that this process has failed to do so, and such failings risk undermining public trust in our wider justice system. Many women—both the victims and others more widely—will be very anxious indeed about Mr Worboys being freed. The current legal restrictions on the Parole Board mean that we do not know why this decision was taken.

I thank the Secretary of State for his statement today. With respect, however, we do not need to debate whether there is a case for greater transparency. The Worboys case has underlined once and for all that there is a need for greater transparency, and the chair of the Parole Board has already called for this. Will the new Secretary of State for Justice therefore guarantee that his review will be about how to achieve greater transparency, and not about whether this is needed?

The failures go much wider than the rules governing the Parole Board. In fact, this whole matter has been dogged by failures from the outset. In 2009, John Worboys was convicted of 19 offences against 12 women, but the police have also linked Worboys to about 100 other cases. The public are asking questions about the failings in the police’s handling of the case, about why there were no further prosecutions and about failures of the victim contact scheme to notify victims of the parole hearing properly. The Worboys case raises so many serious questions that anything less than an independent end-to-end review into the handling of the case—from first reporting to the police of an attack right through to the Parole Board hearing—would let down the victims and the wider public.

The previous Secretary of State did not take up my request to undertake such an inquiry, but the new Secretary of State can bring a fresh perspective to all of this. He has the opportunity to reassure the victims and the wider public by going further than his predecessor and agreeing to an independent end-to-end review. That would be the right thing to do, and if he does so, I will congratulate him. I therefore ask the Secretary of State: will he agree to this proposal today?

There are also questions about whether wider problems in the justice system, a sector now subjected to the greatest cuts of any Department, have had an impact on this specific case. The failure to allow women victims the opportunity to participate in the parole hearing through written and oral statements, or to notify them of the hearings properly, was a real breach of their rights. The National Probation Service manages the victim contact scheme, and I would say that the House is all too familiar with the deep problems caused to probation by the chaotic reforms undertaken by the Secretary of State’s Government.

Does the Secretary of State believe that the changes to probation services have left the victim contact scheme more effective or less effective? Will he spell out today what his Department is doing to ensure that the scheme is functioning as it should and that we do not see a repeat of the failings witnessed last week? At the very least, will he consider amending the scheme so that victims opt out, rather than opt in to the system? Likewise, what is the Government’s assessment of the effectiveness of the current sex offender treatment programmes in prison? Last year, the Ministry of Justice found that its core programme actually increased reoffending among sex offenders. Does he know whether John Worboys was on one of the core programmes that were subsequently withdrawn? Will the Secretary of State take the opportunity to clarify what the current procedure is for prioritising which imprisonment for public protection cases are dealt with most pressingly? Are those on the shortest tariffs dealt with first?

Finally, I am pleased that the Government are now focusing on victims’ rights. However, in 2014, the High Court found that the Metropolitan police had breached the rights of victims of Worboys under the Human Rights Act 1998 by failing properly to investigate many of the crimes Worboys was linked to. That decision was later upheld by the Court of Appeal. I think that many will be surprised and disappointed that the Government—through the current Home Secretary and her predecessor, who is now the Prime Minister—backed taking Worboys’ victims to the Supreme Court last year. Will the Secretary of State take this opportunity to express regret for treating the victims in that way?

Mr Gauke: I thank the hon. Gentleman for his remarks. He makes the case for transparency, as did Nick Hardwick, and I completely see and, indeed, sympathise with the argument being made. This case does demonstrate the need for us to look at the issue of transparency again, and it is important that we do so in some detail. I say to the House that I start off on the basis that more transparency is needed, as this case has demonstrated.
The hon. Gentleman asked me about an end-to-end review. It is right that we focus on how we can make this system more transparent to provide reassurance to the public that it is working in the way that it should. That should be a priority, as should victim support. The hon. Gentleman asked whether the basis of the system should be not opting in but opting out. That is something that the review will be able to consider.

We must be sensitive to the fact that, whereas some victims of crime will be keen to be fully informed at every stage, others simply may not want to hear the name of that criminal again. Different people will have different views about how they want to be treated, and we need to find a system that accommodates both approaches.

I was also asked about prioritising cases. Clearly, there is a need to look at cases in which the tariff has been completed. They will be higher priority than cases in which the tariff still has some years to run. That is what happens in practice.

The hon. Gentleman raised the Supreme Court case. The matter is sub judice and I cannot comment further on it, but I reassure him and the House that we need a system that has the confidence of victims. That is what we all want to ensure.

Robert Neill (Bromley and Chislehurst) (Con): I welcome my right hon. Friend the Secretary of State to his new post. It is nice to see that it is still possible for a lawyer to become Lord Chancellor.

I thank my right hon. Friend for his offer of co-operation with the Justice Committee investigation into this matter. I welcome his statement. Will he bear in mind that Professor Hardwick has indicated a greater desire for openness in the system, and consider the suggestions that he made in his Butler Trust lecture last autumn? Will he start very swiftly with reviewing the provision in the parole board rules that prevents the board from giving reasons for its decision, even if it might want to do so? Giving the reasons might help to reassure both the public and victims.

Mr Gauke: My hon. Friend is right to raise that case. I met Professor Hardwick this morning and he is already participating in this debate. He has been making the case for greater transparency and, as I said in an earlier response, he makes a good case. There is a strong case for ensuring that the reasons for particular decisions are put in the public domain, where that provides reassurance.

Joanna Cherry (Edinburgh South West) (SNP): I welcome the Lord Chancellor and Secretary of State to his new post. It is nice to see that it is still possible for a lawyer to become Lord Chancellor.

Robert Neill: Further charges are a matter for the police and the Crown Prosecution Service, and I am very limited in what I can say about that. What I can say is that of course it is a priority for us that rape and other sexual offences are pursued. As I mentioned earlier, sentences for rape have increased in recent years by approximately 30% on average. We take these matters extremely seriously, and we continue to ensure that these horrendous crimes are pursued. It is not for me to make a statement about likely further prosecutions in this particular case. We are talking about a case that was prosecuted in 2009, and I know that there is an ongoing debate about whether more cases should have been brought at that point. It is important that we learn the lessons from this case and, not just looking at the particular facts of this case, ensure that we have a victim support system that works for victims across the board.

Theresa Villiers (Chipping Barnet) (Con): I congratulate my right hon. Friend the Lord Chancellor on his new role and thank him for coming so swiftly to the House on this solemn matter. It is shocking and unacceptable that victims learned of Worboys’ impending release but it was not received. The procedures were followed, but the decision to release Worboys entered the public domain quickly, which meant that victims heard about it before they received the letters. We need to learn the lessons from that to ensure that it does not happen again.

Mr Gauke: I thank my right hon. Friend for her remarks. The scale of the issue is likely to become clear in the course of the review. This is a high-profile case, but I will not pretend that it is unique. I have recently become aware that one of the victims did not receive an email when she had requested it—that email was sent, but it was not received. The procedures were followed, but the decision to release Worboys entered the public domain quickly, which meant that victims heard about it before they received the letters. We need to learn the lessons from that to ensure that it does not happen again.
Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I also welcome the Lord Chancellor to his post. He will note that some of the victims have still heard nothing from victim liaison officers and still do not know what the Parole Board terms are and whether this man may end up living near them. Given that Worboys had their addresses, will the Lord Chancellor urgently ensure that all the victims are contacted by victim liaison officers before this man is released? Given that some of them had no opportunity to put statements to the Parole Board, is he confident that due process has been followed in making this decision? Further to the Justice Committee’s point about greater transparency in Parole Board decisions, will the Lord Chancellor introduce changes to the statutory rules that would allow the board to make open the decision in this case, not just in future cases, so that people can see what the reasons were?

Mr Gauke: The right hon. Lady makes an important point. There is clearly the potential to change the rules for forthcoming cases, but she particularly asks whether such a change could apply to cases that occurred before the change in the rules. I do not want to make any guarantees to the House at this point, because there are clearly complex legal implications and one would want to look at them, but if I may take that as a representation of what she thinks should happen, I very much take that on board.

On notification of victims, as I said, there will be cases where people do not want to be informed; there will be cases where people will want to receive a great deal of detail. We need a system that is sensitive to what victims want. The right hon. Lady raises the point about where Worboys will be and whether victims could be close by. The conditions of the licence are for the Parole Board, but I suspect I speak for the House as a whole when I say that we would expect the Parole Board to be sensitive to the concerns that victims might have about their safety, and indeed to the trauma of perhaps finding themselves accidentally in the presence of someone who has committed such terrible crimes.

Sir Mike Penning (Hemel Hempstead) (Con): As the new Lord Chancellor, my good friend, knows—I welcome him to his post—I was the victims and the police Minister in the previous Administration. One reason for that was the justice side cannot really be taken away from the police and the Crown Prosecution Service. In the files on his desk will be a draft Bill for a victims law, from the police and the Crown Prosecution Service. In the review, I want to focus on the areas that I have particularly set out, but it is important to look at the

Mr Gauke: I thank my right hon. —and very good—Friend for his comments. He is right; I believe that I do have advice on that very matter in my inbox, and I will want to look very closely at it. He is absolutely right to say that it is important that the position of victims is properly respected. One of the first people I spoke to on taking office was Baroness Newlove, who has done some excellent work on the issue.

Ellie Reeves (Lewisham West and Penge) (Lab): I congratulate the right hon. Gentleman on his appointment. It is right that the Parole Board carry out its work to continue to review the backlog of prisoners serving IPP sentences. However, the public must have confidence that IPP prisoners are being released safely and responsibly. The decision to release John Worboys has undermined that confidence, and given that 3,000 IPP prisoners have been released since their sentences were abolished, what assurances can the Secretary of State give that public safety has not been and will not be compromised?

Mr Gauke: The hon. Lady raises a fair challenge. It is important that public confidence is maintained. It is also right, though, that the Parole Board, as an independent body, makes the decisions; I do not detect a consensus in the House that this matter should be returned to the discretion of politicians. However, the Parole Board clearly needs to be very mindful of public perception. It is, I know, very mindful of the risks that could be created on somebody being released. That is the test that the Parole Board must meet in making these decisions.

Dr Julian Lewis (New Forest East) (Con): When a minimum tariff is imposed, can it be challenged on grounds of undue leniency; and given that the tariff is a minimum, why does the sole test applied by the Parole Board appear to be simply whether the criminal still poses a risk to others? What has happened to the concept that the punishment should fit the crime?

Mr Gauke: Of course, the IPP cases are essentially historic in the sense that those sentences no longer apply; but while approximately 3,000 IPP prisoners remain in jail, it is a question of testing whether there is a risk to the public once the tariff has been met, as my right hon. Friend sets out. Of course, a different system applies to those who do not fall within the IPP test.

Stella Creasy (Walthamstow) (Lab/Co-op): I welcome the Lord Chancellor to his new job. He may be aware that on Friday, a cross-party group of 58 MPs wrote to his predecessor, to express our concerns not so much about transparency in decision making but about the right of victims to be heard by the Parole Board and for their information to influence decisions. His successor wrote back to us, stating that the victim support people had tried to make contact in October, for a hearing in November, with people with whom they had not had contact since 2009.

Will the Lord Chancellor, in his review, look explicitly, not at the transparency of how decisions were made, but at how victims’ voices were heard as part of that process? If he is not satisfied, as it seems that many of these victims were not told how they could have their say, will he use his powers to instigate a judicial review of the decision?

Mr Gauke: The hon. Lady raises an important point about victims’ voice being heard throughout the process. In the review, I want to focus on the areas that I have particularly set out, but it is important to look at the
whole process of victim support and ensuring that the voice of victims is heard, so that it works for victims in the way that we all want it to work.

Mr Philip Hollobone (Kettering) (Con): I think my constituents in Kettering would take the view that we are far too soft in this country on punishing sexual offenders. None of them serves their time in jail in full; too many are released far too early; and many go on to reoffend once they have been released. Will the Secretary of State publish in the Library details of the number of sexual offenders who have reoffended upon release, and how those who are responsible for their early release are held to account?

Mr Gauke: I am grateful to my hon. Friend for the question. As I mentioned, since 2010 the sentence for rape has gone up by 30%—something that I am sure he would support. On the figures that he asks for, if I may, I will take that question away and see what information can be provided to him.

Helen Goodman (Bishop Auckland) (Lab): My constituent, who was raped repeatedly in childhood, came to see me in considerable distress before Christmas because the first she knew that her perpetrator had been released was when he visited the pub next to her place of work. I have raised the matter with the Department, but the letter I received from the Under-Secretary of State for Justice, the hon. Member for Bracknell (Dr Lee), blamed her for not giving the victim contact scheme her change of address. I would like the Secretary of State to commit to looking again at her case and to apologising to my constituent.

Mr Gauke: Obviously, I am not familiar with the case that the hon. Lady raises. As I said earlier, we need to look at communication with victims very closely. Clearly, to communicate, it is necessary for the authorities to have contact details. [Interruption.] We need to find a way to ensure that the relevant authorities have those contact details, so that we can provide the support that the victims want.

Anna Soubry (Broxtowe) (Con): As a friend of one of the victims and a former criminal barrister, I take the view that the original sentence was the correct one in all the circumstances. Worboys, of course, was convicted on the basis that he was a dangerous predatory sex offender, and I have to be frank with my right hon. Friend, whom I warmly welcome to his position, that I and many others are struggling to believe that Worboys is no longer a danger. It is in the nature of this sort of offending that these men are often extremely cunning. We have to trust the Parole Board—I pay tribute to its work, and it must retain its independence—but if nothing else it must put a condition upon his release that he is not allowed back into Greater London. I know that that is not within the gift of the Secretary of State, but it is what the victims, who are very frightened of this man, need to hear.

Mr Gauke: I thank my right hon. Friend for her remarks. I quite understand why she is concerned about whether Worboys continues to pose a risk to the public. The Parole Board made an assessment on the basis of the evidence—several hundred pages of information in front of it—and it was an experienced board, but I am also not in a position to make that assessment. As she says, it is important that we trust the Parole Board—the case for transparency is that it will provide some helpful reassurance. On access to London, she makes her point powerfully, but it is for the Parole Board to determine the conditions.

Several hon. Members rose—

Mr Speaker: Order. I gently point out, in respect of this extremely serious matter, that the statement has now been running for over half an hour, but we have had only 10 Back-Bench questions. To be candid, we need shorter questions—not people’s observations, comments, tributes and commendations—and then brief replies from the Secretary of State.

David Hanson (Delyn) (Lab): There is a third aspect to this, which is post-release supervision. Given that Dame Glenys Stacey, the chief inspector of probation, says that there is a fractured system, will the Secretary of State, as one of his first tasks, consider strengthening that post-release supervision system?

Mr Gauke: The right hon. Gentleman makes an important point, and I would certainly hope and expect that in this case the conditions will be stringent and rigorously enforced.

Mr Jacob Rees-Mogg (North East Somerset) (Con): May I briefly congratulate the Lord High Chancellor on achieving the greatest and most distinguished office in the land? May I question his assumption, however, that nobody wants power returned to politicians in this area? It seems to me that final decisions on whether somebody is a danger should rest with those who may be held to account, not with unaccountable bureaucrats. It is not a scientific decision; it is a matter of opinion, and I would trust his opinion more than that of an unaccountable bureaucracy.

Mr Gauke: I thank my hon. Friend for his kind remarks and confidence in me. On this occasion, however, I fear that I am not entirely in agreement with him. I think that this needs to be a decision made by an independent body on the basis of the evidence in front of it, but it is also right that such independent bodies are conscious of the need to ensure that victims and the public more widely have confidence in the decision.

Jess Phillips (Birmingham, Yardley) (Lab): When I did the job of victim liaison, working with probation to keep victims informed, in the west midlands, where I worked, there were many people in probation working in that area. Since the privatisation of probation, in the west midlands, there is one victims officer—for an area with 3 million people. In this review, will the very welcome new Justice Secretary look at what was taken away and potentially why an email to a victim is not enough, when a relationship is what we used to have?

Mr Gauke: I thank the hon. Lady for her remarks. I do not think that this particular issue is, in truth, about resources. In terms of the requests for information...
made by some of the victims and the forms in which that was to be provided, which were established in 2009, some of the victims also requested to be informed at a later date. I stress, however, that I want a system that works adequately for victims.

Mr John Whittingdale (Maldon) (Con): Will my right hon. Friend pay tribute to the courage of those women who gave evidence against John Worboys, one of whom is well known to us on the Conservative Benches? Does he agree that it is essential that his victims have full confidence that their safety is a priority in the decisions of the Parole Board, which does not appear to have been the case this time?

Mr Gauke: I join my right hon. Friend in paying tribute to the victims who came forward, very bravely, and in some cases waived anonymity to encourage others to come forward. It is important that their safety be paramount. It is important that the system has the confidence not just of the general public but of victims, and this case demonstrates that there is a need for changes to ensure that that can happen.

Emma Little Pengelly (Belfast South) (DUP): I also welcome the Lord Chancellor to his new position. The victims and survivors of sexual assault and rape continue to suffer the legacy of hurt and trauma for many decades and often a lifetime, which is why many people are appalled that this man will be walking the streets again after a mere nine years. I welcome what the Lord Chancellor has said about transparency, but will he give a commitment in his new role that he will do everything he can to ensure that these crimes are taken seriously by the police, prosecutors and the courts?

Mr Gauke: Yes, it is vital that these crimes be taken seriously. I think that there is consensus across the House and the country that they are, and certainly it is my intention that that continues to be the case.

Zac Goldsmith (Richmond Park) (Con): Worboys was a prolific sex attacker for up to 10 years, and there are likely to be hundreds of victims, yet in court he showed no remorse and dismissed his actions as “banter”. Just two years ago, he was claiming that he had done absolutely nothing wrong. It is impossible, therefore, for people to understand how the board could possibly have deemed this man to be safe. Will my right hon. Friend agree that, unless and until the board explains publicly the rationale behind the decision, people cannot possibly have confidence in our criminal justice system?

Mr Gauke: I completely understand my hon. Friend's point. As it currently stands, the Parole Board cannot provide in public the reasons for its decision. The chair of the Parole Board has made it clear that he wishes that it could, but the Parole Board rules—secondary legislation, essentially—prevent that from happening. One thing we will have to look at is what can be done to review and potentially change that secondary legislation to provide for greater transparency, so that these things can be explained. As I said earlier, there is a question about whether the new regulations could apply to cases before any change, including this case, but that is something we will want to look at.

Christine Jardine (Edinburgh West) (LD): I welcome the right hon. Gentleman to his new role, the review he has announced today and the transparency he speaks about. Will he assure the House that that transparency will mean that the Parole Board can provide the detailed rationale, in each case, for why parole has been granted and that we will be able to guarantee that victims who wish to be informed are informed before there is a danger of them hearing it on the television or radio?

Mr Gauke: The review will need to consider exactly those points and seek to address the concerns arising from this case, which the hon. Lady has summarised.

Philip Davies (Shipley) (Con): For many years, I have conducted a rather lonely campaign in this House against soft sentancing in the criminal justice system, and I suppose that I should be grateful that so many of those who have decried me over the years are now leaping on to the same crusade. May I urge the Secretary of State not to think that the case of Worboys is unique, but to look at soft sentancing across the board, not least the ridiculous situation that we still have on the statute book whereby people given a determinate sentence by law have to be released halfway through their sentence, no matter how badly they behave in prison and no matter how much of a threat they still pose to the public? Will he deal with that nonsense in the criminal justice system, as well as this particular one?

Mr Gauke: As always, my hon. Friend has made his case in a forthright manner, and his consistency is very evident. I dare say that today is not the last occasion on which he and I will debate this subject. I think we all agree that the public must have confidence in our criminal justice system and our sentencing policy.

Tony Lloyd (Rochdale) (Lab): Both the Worboys case and the case raised by my hon. Friend for Bishop Auckland (Helen Goodman) are examples of cases in which the victim is treated as an adjunct to the criminal justice process, and, as we have seen, that can apply throughout the process. Will the Secretary of State think carefully about the request from my hon. Friend the Member for Leeds East (Richard Burgon) for an end-to-end review? We must get the victim’s journey right when it comes to such harrowing crimes.

Mr Gauke: It is very important for victims to be at the heart of our criminal justice system. A great deal of work has been undertaken with, for example, Baroness Newlove in her role as Victims Commissioner. We continue to look into how we can improve our criminal justice system to ensure that victims are given the support that they need.

Tom Pursglove (Corby) (Con): My right hon. Friend speaks of victim support. Will he ensure that both the need for repeated victim impact assessments and the appropriateness of exclusion zones are given proper consideration in the review? For instance, a county-wide exclusion zone will be of very little comfort to someone who lives on a county boundary.

Mr Gauke: Those points could certainly be considered in the review.
Thangam Debbonaire (Bristol West) (Lab): The best predictor of future offending behaviour is, unfortunately, past offending behaviour. Victim impact statements also contain information that is important to a thorough and evidence-based risk assessment. Will the Secretary of State please consider in his review whether the risk assessment tools that the Parole Board is using are adequate and whether the intervention programmes are evidence-based and properly evaluated?

Mr Gauke: Whether the hon. Lady’s points are considered in the review or more generally, they are important points about the need to ensure that we have a system that is working.

Mims Davies (Eastleigh) (Con): For the second time today, women’s rights and transparency take centre stage in the Chamber. Again, we are discussing whether a system works and whether a process is letting women down. May I, too, welcome the Lord Chancellor to his role and urge him to use the review roundly to ensure that the system is fair and works for everyone, and women feel it is safe and works for them?

Mr Gauke: My hon. Friend has made an important point about the need for women to feel safe, and we must ensure that the system provides that reassurance.

Conor McGinn (St Helens North) (Lab): The appalling release of this dangerous man has heightened the anxiety of my constituent Marie McCourt that her daughter Helen’s killer might be released in similar circumstances. Can the Secretary of State assure me that the review will look at parole guidelines and criteria on the release of convicted murderers who refuse to disclose the location of their victims’ remains? Incidentally, his Department promised to do that two years ago.

Mr Gauke: I will look at that case and, if I may, respond to the hon. Gentleman subsequently in greater detail.

Huw Merriman (Bexhill and Battle) (Con): Rather than welcoming the Lord Chancellor to his position, may I tell him how sorry those who worked for him until yesterday will be that he is no longer at the Department for Work and Pensions? I welcome what he said about the transparency of Parole Board decisions, but may I urge him to put a timescale on when the House will know more? It is important for the public to know, it is vital that justice is not only done but seen to be done. That is why judges hand down sentences and give the reasons for them in public, and it is why I think that the same should apply to the Parole Board, given what an important part of the process is involved. Will the Lord Chancellor commit himself to making a statement to the House when he has completed the review, outlining what action he then proposes to take?

Mr Gauke: The House would rightly expect me to keep it fully informed, and I certainly undertake to do that.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The public need to be confident that the Parole Board is making a balanced assessment of risk. Will the Lord Chancellor commit himself to reviewing how the board assesses the risk presented by offenders? Will he also undertake to consider the role of independent psychologists in advising on offender risk, especially when their advice conflicts with that of probation and prison professionals?

Mr Gauke: The hon. Lady makes an important point. Clearly, as we look at the issue of transparency for Parole Board decisions, we shall need to look at the evidence with which the board is provided and review the extent to which it should be put in the public domain.

Sir Desmond Swayne (New Forest West) (Con): Did he acknowledge his guilt?

Mr Gauke: I am not in a position to provide details of the case. Those details are given to the Parole Board, and I am afraid I cannot say more than that.

Mr Speaker: I have to say that the succinctness of the right hon. Member for New Forest West (Sir Desmond Swayne) is medal-winning. May I exhort him to circulate his text book on pithy questions?

Christian Matheson (City of Chester) (Lab): My question will not be quite as pithy, I am afraid.

Much as I support the idea of redemption and rehabilitation, my own view is that a sentence of nine years in prison for 19 rapes is simply derisory, especially given that, as was pointed out by the right hon. Member for Broxtowe (Anna Soubry), this was a predatory attacker. The Secretary of State said that IPP sentences were no longer in use. Is he satisfied that the current sentencing guidelines meet the need for decent sentences in shocking cases such as this?

Mr Gauke: First, let me briefly correct the hon. Gentleman: Worboys was convicted of 19 offences, and there was one conviction of rape. I do not say that in any way to undermine or belittle the seriousness with which his crimes should be considered.

As I have said, sentences for rape have gone up over the last eight years, and I think it right that that has happened.
Construction (Retention Deposit Schemes)

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

2.18 pm

Peter Aldous (Waveney) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about protecting retention deposits in connection with construction contracts; and for connected purposes.

Let me start by paying tribute to Sir Michael Latham, who died in November. He was a Member of this House for 18 years, from 1974. In 1994, he produced a report, commissioned by the Government and the construction industry, called “Constructing the Team”. The report had a significant impact on the industry and led to the passing of part 2 of the Housing Grants, Construction and Regeneration Act 1996, which is commonly referred to as the Construction Act. Unfortunately, one of Sir Michael’s recommendations remains outstanding, and has not been implemented. It relates to cash retentions in a secure trust fund. Two decades on, we should be rectifying that omission.

On 24 October, the Department for Business, Energy and Industrial Strategy began a consultation, which ended on 18 January, on the practice of cash retentions in the construction industry. That followed an independent and long-awaited review which confirmed that retentions are a critical issue that affect the viability and productivity of small and medium-sized enterprises in the construction supply chain. They also increase the cost of construction. Across the industry, there is very strong support for putting a solution in place now, with specialist engineering contractors recommending that a statutory ring fence of retentions is the best option.

I will now outline what the problem is. Retentions are deductions—usually 5%, but sometimes 10%—from moneys due to a construction business. Ostensibly, they are held as security in case a firm fails to return to rectify defects. However, in practice, they are often withheld to bolster the working capital of the group withholding them. Under standard industry contracts, they should be returned within 12 months of the handover of the works in question, but there are regular delays of upwards of three years, and in one case 12 years. According to Government figures, almost £8 billion of cash retentions has remained unpaid over the last three years. Most of that cash has been provided by SMEs. No other industry puts so much cash at risk and places such a burden on small businesses.

Research carried out by the Building Engineering Services Association illustrates the extent of the problem. Some 44% of contractors have suffered non-payment due to upstream insolvency in the last three years. Almost half of businesses that have had retentions held in the last three years have experienced non-payment due to upstream insolvency, with the average amount lost per contract being £79,900.

Tier 1 contractors suffer average delays of three months. There are delays of seven months for tier 2 contractors and delays of over nine months for tier 3 contractors. It seems that the smaller the business is, the harder it is hit. Research shows that retentions make construction more expensive than working without retentions. Most main contractors do not have automated release payments, and the average cost of taking legal action over the last three years was £16,300 per contract.

The abuse of retentions has a negative knock-on domino effect that cascades through the construction industry. It restricts investment in new equipment and facilities. It prevents firms from taking on more work, and it discourages them from employing more people and investing in apprenticeships. The Electrical Contractors Association comments: “smaller businesses can’t invest enough in skills or equipment, or help to improve industry productivity, if their cash flow is restricted in this way.”

That is the problem; I shall now move on to the solution.

The previous failed attempts to resolve the problem confirm that the only solution is legislation that secures moneys so that they will be available to be returned, subject to the other party having right of recourse to the moneys. A solution would be along the lines of the statutory requirement in section 215 of the Housing Act 2004 under which deposits taken from shorthold tenancies must be placed in a Government-approved scheme. A similar scheme would work for retentions. Ring-fencing the moneys in such a way would mean that they would be secure and available to be released on time, rather than subject to the current wait of two or more years. That would help to increase the velocity of cash in the system, and if moneys were secured in this way, banks would be able to lend to firms on the back of such security.

It is appropriate that we look at the situation in other countries. We are now very much out of step with what happens elsewhere, where there is legislation to ring-fence cash retentions and/or to provide security for construction payments in general. In Canada and the United States, a system of charges can be placed on a building or structure by a firm that has not received its payment. Australia and New Zealand have legislated to ring-fence moneys. France has a statutory framework that requires bank guarantees to be used as security for payment in the construction industries.

Doubters might ask whether there is a cost associated with ring-fencing, but that should not be a problem. The tenancy deposit scheme to which I referred is self-funded through the interest earned on deposits, with any profit made transferred to a charity that provides training in the sector. Such a scheme would be a win-win for construction, as it would be a source of much-needed funds for training.

This Bill is relatively straightforward. It would amend the Construction Act to require the Secretary of State to introduce regulations to protect retentions. It would bring closure to the many efforts made in the past to address the problem. In doing so, it would transform the prospects of SMEs, which make up 99% of firms in the UK construction industry.

A key element of the Government’s industrial strategy is to create the right conditions for businesses to grow and to encourage them to invest over the longer term to improve productivity. The Bill would help to secure that objective.

This is not the first time that the matter has been raised in this House. When the then Trade and Industry Committee carried out an inquiry more than 15 years ago, it concluded that the practice of cash retentions was outdated and that abuse of the system was so widespread that the Government were invited to phase out retentions as soon as possible. Sadly, they did not do so.
Four years ago, a cross-party parliamentary inquiry into late payments and their impact on SMEs recommended that the Government should introduce a retentions money Bill, with money retained by a customer from a supplier to be held in a trust account. That inquiry was chaired by the hon. Member for Oldham East and Saddleworth (Debbie Abrahams). On 26 January 2016, the hon. Member for Upper Bann (David Simpson), a supporter of the Bill, initiated a Westminster Hall debate on the subject. As he will recall, the collapse of the Patton Group in Northern Ireland left £10 million outstanding by way of retention moneys. SMEs in Northern Ireland never saw that money again.

On 26 April last year, the hon. Member for Kilmarnock and Loudoun (Alan Brown) introduced the Construction Industry (Protection of Cash Retentions) Bill, also under the ten-minute rule. Unfortunately, the general election curtailed progress on that Bill. The hon. Gentleman is also a supporter of this Bill.

The Bill has strong support from the construction industry. At the last count, it was backed by 30 trade associations. Time, and the embarrassment of missing someone out, means I will not list them.

While the current consultation is welcome, there has been too much talking for too long. This matter must be addressed as soon as possible. If one of the larger construction companies were to fail, the consequences for SMEs and their supply chains could be disastrous. They could lose all their retentions, adding to the £220 million that is already lost annually. The Bill would help to avert such a calamity.

This is a critical time for the construction industry. We need to be building record numbers of homes. As Brexit approaches, the construction industry must be able to operate in top gear. This restrictive and grossly unfair practice acts as a brake on activity in the sector. If we remove it, we can unleash investment in jobs, apprenticeships and technical innovation.

Sir Michael Latham recognised the need for a partnership approach, with industry and the Government working together. It will be a fitting tribute to his work if, 22 years on, we could finally deliver the final piece in the jigsaw of his recommendations in “Constructing the Team”.

Question put and agreed to.

Ordered.

That Peter Aldous, Sir Henry Bellingham, Alan Brown, Kevin Hollinrake, Eddie Hughes, Mr David Jones, Caroline Lucas, Mr Barry Sheerman, David Simpson, Sir Mike Penning, Dr Dan Poulter and Mr Edward Vaizey present the Bill.

Peter Aldous accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 27 April, and to be printed (Bill 148).

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**Trade Bill**

[Relevant document: Oral evidence taken before the International Trade Committee on 29 November 2017, on the Trade Bill, HC 603-i.]

Second Reading

Madam Deputy Speaker (Mrs Eleanor Laing): I must inform the House that Mr Speaker has selected the amendment in the name of the Leader of the Opposition.

2.30 pm

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): I beg to move, That the Bill be now read a Second time.

Free and fair trade is fundamental to the prosperity of the United Kingdom—that is something on which both sides of the House can agree. As globalisation and new technology have changed the face of the world economy, the old barriers of distance and time have been eroded. In an age in which data, knowledge and expertise are traded as readily as cars and steel, even the simplest transactions are no longer confined to one country or even one continent. The United Kingdom is one of the world’s leading trading nations. The total value of our trade with the rest of the world is equivalent to over half our gross domestic product. The UK is the most popular destination for foreign direct investment in Europe, and last year FDI created or safeguarded an estimated 108,000 new jobs. British companies operate across the globe with an international reputation for quality and expertise that few nations can match. That has enabled us to boost the total value of our exports by around 14% in the past year to some £617 billion.

Our current success is built on a long and proud trading tradition. From our unilateral adoption of free trade in the 1840s to our instrumental role in founding the World Trade Organisation, the United Kingdom has been at the heart of international trading innovations. Often, we have led the way, using our economic and diplomatic influence to guide the world towards a free trading future, confident in the benefits that the rules-based global trading system can bestow. For more than four decades, the United Kingdom has been unable to fulfil that leadership role, but soon this country will once again be able to pursue an independent trade policy, whether unilaterally or within bodies such as the WTO. We will be able to unlock some of the key areas of global growth, to offer preferential market access to developing nations of our choosing, to develop closer economic links with our Commonwealth partners and to influence, as we once did, the future of international trade.

Kate Hoey (Vauxhall) (Lab): One of the real problems with the EU in trade agreements was the lack of transparency and openness. Does the Secretary of State believe that we will be able to be much more open and transparent when we become involved in getting trade deals going between this country and other parts of the world?

Dr Fox: I do. As the hon. Lady knows, this Bill is not concerned with new trading agreements, but when the Government come forward with the mechanics for such agreements, I believe that it will be in the interests of all
to have as open and wide a consultation as possible—perhaps even more open than has been traditional in other countries.

**Mr Nigel Evans** (Ribble Valley) (Con): There has been much speculation over several weeks about the possibility of the United Kingdom staying in the single market or the customs union. The Secretary of State talks about an exciting world in which we will be able to do trade deals with a number of other countries. Would we be able to do that if we stayed in the single market or the customs union?

**Dr Fox**: We know that we would not be able to do that if we were constrained by the customs union, but I say to my hon. Friend that we need to look at where the growth in global trade is going to come from. According to the International Monetary Fund, about 90% of global growth in the next 10 to 15 years will occur outside the continent of Europe. It therefore makes sense for the United Kingdom to have the freedom to maximise our ability to trade with those countries whose economies are growing the fastest, if we want to generate the income that this country will need for the spending economies are growing the fastest, if we want to generate maximise our ability to trade with those countries whose economies are growing the fastest, if we want to generate.

**Frank Field** (Birkenhead) (Lab): This House voted overwhelmingly to begin the process of implementing the referendum decision. Since then, we have had two major Bills—this being the second—where the Order Paper looks as though the main aim is to interrupt the Government’s carrying out that intention to follow through on the referendum decision. In the Secretary of State’s opinion, what image does that give to people outside, given that 75% of the electorate now want the Government to get on with the job of taking us out of the EU?

**Dr Fox**: I was encouraged to hear reports yesterday that the Leader of the Opposition had made it clear that there was no chance of continuing in the single market or the customs union. It was therefore with some disappointment that I saw the reasoned amendment today, which seems to go in an entirely different direction. I am not sure what the reasoned amendment was drafted for, but it does not seem to have been drafted for this Bill, given that it concentrates on future free trade agreements, which are not covered in the Bill at all.

**Several hon. Members rose**—

**Dr Fox**: I will give way later.

The Government believe that we have an unprecedented opportunity to regain our former influence in trade policy. The United Kingdom will be able to put in place a trade policy that acts in our own interest and that of our friends and allies, but trade is not only about self-interested commercial gain. It is also about nurturing developing economies, eliminating poverty and building partnerships for the future. Closer to home, trade ensures that British consumers can access quality goods at a reasonable price, and foreign investment creates jobs and protects livelihoods the length and breadth of the country. Fundamentally, we will have the power to choose our own economic destiny and chart our own course to a brighter, more prosperous future.

Yet for all the high political ideals, we recognise that trade is carried out not by Governments but by individual enterprises. To operate, they require certainty and stability. Confidence is a very valuable commodity indeed, and the UK has been economically successful in part because our stability, our labour market flexibility and skills, and our regulatory environment all inspire confidence in investors and international firms. That is why we attracted the highest number of new foreign direct investment projects in our history last year.

**Graham Stringer** (Blackley and Broughton) (Lab): The Secretary of State mentioned increasing trade with the developing world. Does he agree that the European Union has been the greatest single mechanism for exporting poverty to the third world, with its high tariffs on foodstuffs, and that when we leave the European Union we will be able to give our own consumers the benefit of cheaper citrus fruits, as well as helping poorer farmers in Africa and elsewhere?

**Dr Fox**: Where I would particularly agree with the hon. Gentleman is on the European Union applying high tariffs to value-added exports from developing countries. In other words, those countries are able to export basic commodities into the European Union with zero tariffs, but if they try to add value, they face considerable penalties. One of the areas that I would like the United Kingdom to explore as we leave the European Union is our ability to help those countries to export with added value, so that they can trade their way out of poverty rather than depend on aid. I believe that such a policy would carry widespread support across the United Kingdom.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): As the Secretary of State says, the Bill is about existing trade. It will need a legislative consent motion from the Scottish Government, but the Scottish Government say that it is not fit for purpose in its current form. He is probably also aware that yesterday the Holyrood Finance and Constitution Committee, including three Tory MSPs, voted to withhold a legislative consent motion for the European Union (Withdrawal) Bill. What will he and other Ministers do to ensure that both Bills are fit for purpose, so that they can get an LCM from Holyrood?

**Dr Fox**: We believe that this Bill is fit for purpose, as it merely continues what we have at the present time. I hope that, through the large number of Scottish National party Members in this House, we will be able to convince Holyrood that our case is correct and just.

**Several hon. Members rose**—

**Dr Fox**: I will give way later.

Before we can begin to forge new trading relationships, we must act to prevent disruption to our existing trade environment. As the Prime Minister has said, our ambition is to forge a deep and special new partnership with our European friends and allies; we will retain the bonds of friendship, security and trade that have united Britain and Europe for so long. If we want to achieve that, before we leave the European Union we must put in place the essential legal powers and structures that will enable the UK to operate an independent trade policy. That is what our trade legislation is designed to achieve.
In this, as in all our legislation, the Department for International Trade will be guided by what delivers the greatest economic advantage to the UK and ensures the continued confidence of our partners and allies.

The Bill contains six delegated powers allowing the Government to make regulations to support and develop their trade policy. Two of the powers allow the Government to amend primary legislation; they relate to ensuring the continuity of EU trade agreements into a UK-only context and to the collection of exporter information by Her Majesty’s Revenue and Customs. Both powers are subject to significant restrictions on how they can be used. The trade agreement continuity powers are limited in scope; in particular, they can be used to amend primary legislation only when it forms part of retained EU law. We intend to use the powers to make necessary amendments to domestic legislation as part of the transition project. By taking those powers, we can be sure that we have the ability to implement efficiently all obligations of existing trade agreements in our new context.

The EU’s trade agreements, which we intend to transition and which are within the scope of this Bill, will have already been scrutinised by Parliament’s EU Committees. Free trade agreements that the UK has already ratified have also been through the normal parliamentary scrutiny process. The Bill simply aims to enable us to continue those existing trading arrangements, allowing us to provide certainty and to reassure international partners, businesses and investors.

Sir William Cash (Stone) (Con): I am glad to hear everything that my right hon. Friend has said not only today, but throughout his tenure as Secretary of State. I am so glad that he is still in that post and that he will carry on.

Will my right hon. Friend confirm that we are running a trade deficit with the other 27 member states of the EU that has been accumulating for a long time? It increased from £71 billion to £82 billion in one year alone, which gives some indication of the fact that we are now looking outwards towards the rest of the world and that continuing to pursue a policy of exclusively working in the context of a strategy run by the EU Commission does not work for us.

Dr Fox: First, the fact that there is a large EU trade surplus with the UK is one reason why it is in the interests of the EU to want a good and open trading agreement with the UK. Secondly, on my hon. Friend’s point about the direction of travel, it is certainly true that the proportion of UK exports that go to the EU has diminished from some 54% at the beginning of the millennium to about 42% today, so it is already true that the UK is exporting into other growing parts of the global economy.

Lady Hermon (North Down) (Ind): I want to bring the Secretary of State back to legislative consent. He gave some advice to the SNP Members, but he has more difficulty in Northern Ireland, where we have not had a functioning Assembly for a year. That is totally frustrating for the people of Northern Ireland, but how do the Government think they are going to obtain legislative consent from the Northern Ireland Assembly—or are they preparing for direct rule in Northern Ireland? It is one or the other.

Dr Fox: The hon. Lady gives me a good opportunity to pay tribute to my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who stood down from the post of Secretary of State for Northern Ireland yesterday, for his work in trying to achieve a deal in Northern Ireland. We all hope that there will be a functioning Government that the UK Government are able to deal with, because it is in the best interests of all concerned in Northern Ireland that we get a functioning democratic Government in Stormont.

John Redwood (Wokingham) (Con): Will my right hon. Friend give way?

Dr Fox: I will give way once more to my right hon. Friend.

John Redwood: Will my right hon. Friend confirm that all the countries that have trade deals with the EU either have indicated that they would like to have a similar agreement with the UK or have certainly not indicated the opposite, so we can look forward to those deals novating, or transferring, to us?

Dr Fox: I can indeed confirm that there is considerable interest in the continuation of those trading agreements with the UK, for one overwhelming reason: we are the fifth biggest economy in the world and provide a large market to countries that want to trade with us, so they have every interest in wanting to continue those agreements.

Several hon. Members rose—

Dr Fox: I have given way a number of times, so I will make some progress.

The new legislation has four primary aims. First, as I have already mentioned, it aims to prevent disruption to UK businesses and consumers. I alluded earlier to the importance of the UK’s ability to access other markets across the world. Currently, as a member of the European Union, we are part of about 40 free trade agreements across the world, as my right hon. Friend just mentioned. Maintaining that market access for UK companies is a priority. That is why, as we leave the EU, we seek continuity and have therefore been public about our aim to enter into our own agreements with our partner countries that maintain the effects of the free trade agreements currently in place with the EU. The Bill will create new powers to make regulations, where required, to ensure that we can fully implement these free trade agreements and our other existing trade agreements as we leave the EU. By ensuring continuity in our existing trade arrangements, we will provide certainty and stability for workers, consumers, businesses, and our international trading partners.

Secondly, we want to maintain UK businesses’ guaranteed rights to access global public procurement markets worth approximately £1.3 trillion per year. The GPA, or government procurement agreement, is a plurilateral agreement within the framework of the WTO that aims to create an open market for Government procurement among participating nations. They include...
many of the world’s major economies, such as the United States, Japan and Canada, as well as the EU states. Currently, we participate in the GPA through our membership of the EU. It is worth pointing out that the UK creates around £68 billion of procurement opportunities within the GPA annually—over 25% of the total EU offering. After we leave the EU, the UK will need to join the GPA as an independent member, not only to safeguard continuity of access for UK companies overseas, but to ensure that we can tap into international expertise and obtain the best deal for the taxpayer here in the UK. The powers in clause 1 will allow us to make regulations implementing our obligations under the GPA as an independent member, reflecting our new status within the GPA. Parliament will be able to scrutinise the terms of our membership of the GPA through the Constitutional Reform and Governance Act 2010 before we join.

Mr Jonathan Djanogly (Huntingdon) (Con): I totally support my right hon. Friend’s aims in clause 1 and the need for us to re-engage with the GPA. The clause also shows how vital it is that we leave the EU with agreements in place, rather than just falling off a cliff. We are not a member of the GPA through our membership of the EU, and we will have to rejoin in our own right—in the same way as we will have to re-engage with our schedules, which we have through the EU rather than in our own right.

Dr Fox: As a doctor, I have never thought that falling off a cliff is sensible. It is certainly clear that it is beneficial to the UK to have a number of agreements in place, which is why we have introduced the legislation—to provide maximal continuity and security. That is the whole point of the legislation. My hon. Friend is correct that we will have to do the same exercise with our schedules in Geneva, but if I may make one slight correction, we are already an independent member of the WTO in our own right and we simply operate our schedules through the EU. We are not a member of the WTO by virtue of our membership of the EU in the same way as we are with the GPA.

Caroline Lucas (Brighton, Pavilion) (Green): Given that the Bill covers only existing EU trade agreements, will the Secretary of State guarantee that there will definitely be a second trade Bill in due course to cover new trade deals with non-EU countries? If he cannot guarantee that, will he accept that it is even more important that the openness and transparency that he claims to support are reflected in this Bill? One way to do that would be to ensure that, like the European Parliament and the US Congress, this Parliament has the right to reject trade agreements. The negative procedure does not provide a real opportunity to say no.

Dr Fox: As I think I already said, we will use separate vehicles for new free trade agreements, and we will introduce a separate proposal on consultation. I am keen not to get to the position we got to in, for example, the Transatlantic Trade and Investment Partnership, where a whole negotiation was undertaken only to find there was insufficient public support. It is much better to seek support for a trade agreement mandate by having as wide a consultation as possible across the country with various ranges of stakeholders before we enter such negotiations. That is more democratic, and the process is more efficient. Consumers will in future take a greater interest in trade agreements than they have perhaps taken in the past, so consultation is also politically prudent.

Andrew Percy (Brigg and Goole) (Con): The Secretary of State is absolutely right that the Bill will prevent anybody from falling off any sort of cliff edge. One of our most important trading relationships is, of course, with Canada, which is covered by the comprehensive economic and trade agreement. Will he confirm that the Canadian Government have committed themselves to reaching a free trade agreement with the United Kingdom once we leave the European Union and have established a joint ministerial council with us? Contrary to what we hear from some who seem unable to accept the result, many of our bigger trading partners, such as Canada, have quite a lot of enthusiasm for ensuring that we have a new relationship that perhaps goes further than the current arrangement through the EU.

Dr Fox: I confirm that we have had very positive discussions with the Canadian Government, and I also confirm it is our intention, as we have said, to ratify CETA before we leave the European Union. Once we have left the European Union, CETA will form a good basis for any future agreement with Canada, while taking advantage of the increased trading freedoms the United Kingdom might have, unrestricted by elements such as the data localisation restrictions that are currently placed on us by the EU’s negotiating position.

Hilary Benn (Leeds Central) (Lab): This Bill is a consequence of the Government’s decision to leave the customs union. Will the Secretary of State explain why, as we learned from his colleague the Secretary of State for Exiting the European Union, the decision was taken without any economic assessment of the consequences of leaving the customs union? Will he now set out why he thinks the gains will outweigh any potential losses?

Dr Fox: I hate to correct the right hon. Gentleman, but this Bill is a consequence of the British public’s vote to leave the European Union. Leaving the European Union means that we are leaving our current trading agreements. If we want stability to continue for our businesses, we have to put the legislative framework in place for it to do so. That is exactly what we are doing.

Several hon. Members rose—

Dr Fox: I have given way a number of times. I will give way again later.

It is worth reminding the House that, on a number of occasions, we have made a commitment that decisions about public services, such as the national health service, will be made by UK Governments, including the devolved Administrations, and not by our trade partners. As we leave the EU, the UK will continue to ensure that rigorous protections for the NHS and other public services are included in all trade agreements to which it is a party.

The third aim of the Trade Bill, together with the Taxation (Cross-border Trade) Bill, is to create a new UK trade remedies framework overseen by an independent body, the Trade Remedies Authority. It is important to
[Dr Fox]

remember that free trade does not mean trade without rules. Free trade is not a free-for-all. Trade remedies are a vital safety net for firms operating in the global marketplace, protecting them from injury caused by unfair trading practices such as dumping or trade-distorting subsidies, as well as from unforeseen surges of imports.

After its creation, the TRA will be required to prepare both an annual report on the performance of its functions and an annual statement of accounts. Those documents will be laid before the House of Commons, ensuring that Parliament is able to fully scrutinise the TRA’s functions and financial activity.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I am sure, when the Secretary of State visited Stoke-on-Trent, he heard from Wade Ceramics about the importance of proper trade remedy body. May I press him regarding functions and financial activity.

Dr Fox: I totally agree with the hon. Gentleman on the need to set up such trade remedies, so I hope he will support the Bill today. Without the Bill, we would be unable to have such trade remedies as we leave the European Union. It is essential that we have a mechanism to protect the United Kingdom and that we do not allow unfair dumping or subsidy to harm UK businesses. That is why we are setting up the TRA. The details will be set out after the passage of the Taxation (Cross-border Trade) Bill. He is right that we need to have such trade remedies in place, but I reiterate that, if we do not approve Second Reading today, we will not have the ability to create those remedies to protect British business. If Opposition Members oppose the Trade Bill, they will be opposing the very measures that will be able to protect British businesses and British jobs.

James Duddridge (Rochford and Southend East) (Con): The good burghers of Southend will be glad that the Secretary of State is delivering the Brexit that they supported wholeheartedly. Will he confirm that the Trade Remedies Authority will be wholly independent? Will he give us an indication of how quickly some of the detail will come together once the Bill is enacted? What forms of consultation will there be on how to set up the Trade Remedies Authority, given that we have so little experience of trade remedies other than through the EU?

Dr Fox: As my hon. Friend knows, detail on the implementation of the Trade Remedies Authority will be in secondary legislation subsequent to the passing of the Taxation (Cross-border Trade) Bill, which we debated in this House last night. The Trade Bill merely creates the framework for creating the Trade Remedies Authority, which will be an arm’s length authority. These issues are often commercially sensitive and market sensitive, so it is important that we are seen not to have overt political intervention. Likewise, if we want to be WTO compliant, we have to be as transparent as possible. We will want to consult further, but we want to set out the details as soon as possible.

Closely related to that is the Bill’s fourth aim. We want to enable HMRC to collect and share essential data on the United Kingdom’s trade flows, which will enable DIT and bodies such as the Trade Remedies Authority to perform essential trade functions such as providing evidence to WTO panels that rule on trade disputes. It will also provide a vital insight into our export performance during our development of trade policy.

Hannah Bardell (Livingston) (SNP): Can the Secretary of State give us an idea of how much more resource HMRC will get so it can do that job of collecting data? Will the Government expand the number of HMRC offices, rather than reducing the number of offices, as he and his Government are currently doing?

Dr Fox: My understanding is that HMRC was given extra resource in advance, before we reached this point. It seems strange that we do not already collect this data. If we want better-informed policy, we need better datasets. It is merely a sensible option for any Government to collect this data as widely as possible, so that we operate on the basis of better information.

Before I further explain the process, this is a good juncture to correct some of the misunderstandings that seem to have grown, deliberately or otherwise, around the Trade Bill. As I have explained, the Bill contains two powers that allow the Government to amend primary legislation: the power in clause 2 to implement the trade agreements that the UK adopts; and the power in clause 7 to allow HMRC to collect the export information that the hon. Lady has just mentioned. Both these powers are limited in scope and restricted in their use. Contrary to the belief of some in this House and beyond, seemingly including the shadow Secretary of State for International Trade, this Bill does not legislate for powers that could be used when implementing new free trade agreements with countries with which the EU does not have a free trade agreement before exit day. An article in The Guardian—I do not avidly read it, but this was brought to my attention—written by him incorrectly asserted that the Government would only be obliged to present the text of new trade agreements under the convention of the Ponsonby rule. As I mentioned earlier, the scrutiny of new agreements requiring ratification is ensured by the Constitutional Reform and Governance Act 2010.

Barry Gardiner (Brent North) (Lab): Will the Secretary of State confirm that the 2010 Act proceeds by negative resolution and it is not open to any debate, any scrutiny, any vote and may not even be amended? Therefore, the sort of scrutiny that most Members of this place would expect to take place for any new trade agreements will not occur in the way he has led the House to believe.

Dr Fox: This Bill is not about trade agreements; I can only explain it to the hon. Gentleman—I cannot understand it for him. This Bill is about continuity of existing agreements. In any case, the 2010 Act effectively gives the Commons the power to block ratification, notwithstanding the fact that we have already scrutinised
these agreements in the past. He ought to know that, as the 2010 Act was passed by the Labour Government and he voted for it.

There is no attempt here to bypass parliamentary scrutiny or to obtain sweeping new authority for the Government over this country's trading structures. Rather, the Government seek powers in clause 2 that we think necessary for us fully to implement in UK law non-tariff obligations of the transitioned existing EU-third country trade agreements that we adopt. Any tariff-related obligations in such transitioned agreements will be implemented using powers conferred by the Taxation (Cross-border Trade) Bill, which had its Second Reading in this House yesterday.

Chuka Umunna (Streatham) (Lab): Will the Secretary of State answer three questions? First, on the existing agreements the EU has with third countries, which he says will be transposed, will he guarantee that those 65 agreements will be transposed by the exit day? Secondly, this Bill does touch on new agreements, to the extent that the Trade Remedies Authority will have a locus and oversight on those agreements. He was part of the campaign that promised that we would have all these new agreements, with Canada, the US and Japan, and would immediately start negotiating with all these countries. It is right, is it not, that none of those negotiations has actually started?

Dr Fox: I look forward to the hon. Gentleman’s extension of that intervention in his speech. Let me deal with the last of those issues. He is well aware that, under our duty of sincere co-operation, while we remain a member of the EU we are not able to negotiate new trade agreements. We will want, first, to get continuity of the existing agreements, which number about 40. We will want to have as many of them as possible—all of them, if possible—transitioned before we leave the EU. I absolutely confirm that. We already have 14 working groups with 21 countries in preparation for future negotiations in the trade agreements that we want to take advantage of when we leave the EU.

Mr Dominic Grieve (Beaconsfield) (Con) rose—

Dr Fox: I will make some progress.

When the UK enters directly into its own arrangements with our partner countries, the Government will seek, as far as possible, to maintain the effects of the existing arrangements they have with the EU. This means we will be able to deliver the continuity that businesses, consumers and our trading partners, and this House of Commons, desire. It will maintain market access and allow us to continue to abide by our obligations to our international trading partners. The UK has used the European Communities Act 1972 to implement existing EU trade agreements and the GPA. The European Union (Withdrawal) Bill will repeal the 1972 Act. This means that the UK will require a new way to ensure that our transitioned agreements are fully implemented in UK law and remain operable over time. Clauses 1, 2, 3 and 4 of the Trade Bill will give the Government the necessary powers to do so in relation to the non-tariff elements of those transitioned agreements, including amending legislation, where necessary. They will also grant these powers to the devolved Administrations to ensure that they, too, can implement transitioned agreements and reflect the UK’s independent GPA membership in areas that fall within their devolved competence.

The powers to implement free trade agreements will be available only if the partner country has signed an FTA with the EU before exit day. In other words, and as I said earlier, this Bill does not legislate for powers that could be used when implementing new FTAs with countries with which the EU does not have an FTA before exit day.

Helen Goodman (Bishop Auckland) (Lab): Will the Secretary of State explain to the House why, if this is just to roll over existing FTAs, he will need the power to change primary legislation?

Dr Fox: We have said that where we needed to change legislation to bring into UK law the non-tariff elements of existing agreements, we would do so, but these powers exist for no other reason. They are very limited, and I make it very clear today that they are limited to these particular circumstances.

Mr Grieve: I wish my right hon. Friend well in this task of ensuring continuity of the trade relationships we currently have within the EU. I fully understand the point he has made about the fact that this is about those relationships and not new ones, but does the delegated powers memorandum not make it absolutely clear that the powers are broad enough to enable not just the implementation of these agreements, but their substantial amendment, including the creation of new obligations? Does that not then make it sensible—I urge him to do this—for the Government to look, as the Bill progresses, at ways to ensure that those can be properly scrutinised, because the methods we currently have of the European Scrutiny Committee and the European Parliament will no longer exist? That is a relevant issue for this House, and if the Government were to look at it in a sensible light, the Bill would be improved.

Dr Fox: I am sure that in Committee my right hon. and learned Friend will again wish to bring his expertise to bear, but I say to him again that the Government do not seek to make any substantial changes to the agreements that already exist. There are some unavoidable changes—for example, the disaggregation of tariff-rate quotas—that we will have to introduce, but they will simply be done to bring the greatest continuity possible to arrangements. As I have said several times, when it comes to new agreements, the Government will bring forward new proposals, where we can ensure that there will be adequate scrutiny of any new agreements that we want with countries once we have left the EU.

Ian Murray (Edinburgh South) (Lab): I wish just to push the Secretary of State on one point. What will be the process in this House if, for example, the South Korea trade deal, which is currently an EU trade deal, is transposed to UK law to be a UK trade deal and the South Koreans decide to renegotiate the deal on Scotch whisky? What goes through this House?

Dr Fox: Having had substantial discussions already with the South Koreans, I can tell the House that there is no plan to do anything such as the hon. Gentleman suggests.
That is why I say to him that this is not about new trade agreements; it is about continuity of what we have at the present time.

Several hon. Members rose—

Dr Fox: I will make a little progress.

The Government are taking a similar approach on the transitional trade agreements and on the GPA, looking to maintain the guaranteed access created by our current participation to ensure stability and continuity for UK businesses. As I mentioned earlier, the UK participates in the GPA through our membership of the European Union. Clearly, if we are to retain the benefits of the GPA, we will soon have to join as an independent participant. This legislation will enable the UK Government to make any changes required in domestic law as part of the UK becoming an independent member of the GPA and provide the power to make changes in future to reflect new countries joining the GPA or existing countries withdrawing from it. It is in the UK’s best interests for its businesses to continue to have guaranteed access to the GPA’s global procurement markets and for us to continue to work with our partners in the GPA to address trade barriers within the government procurement sector. We intend the UK to join the GPA, while maintaining our existing terms of participation. Clause 1 will allow the UK to legislate to reflect our new independent GPA status.

John Redwood: Will the Secretary of State confirm that a helpful and comprehensive trade facilitation agreement came into effect at the WTO in spring last year? It should be reassuring to all those who are worried about possible disruption to UK-EU trade—pending any agreement—that a lot of it will be governed by those helpful provisions because we and the EU will of course remain members of the WTO.

Dr Fox: My right hon. Friend is right. That agreement was the first multilateral trade agreement for decades, which shows how difficult it is to get such multilateral agreements. It does reduce friction for customs arrangements worldwide, but although, as he said, the benefits are great, it is still in the best interests of the UK to come to an open and comprehensive trading agreement with the EU itself.

The Bill provides powers for HMRC to collect and share trade data, as has been mentioned. Those powers include the one in clause 7 that allows primary legislation to be amended to provide for HMRC to collect exporter information. Clause 8 will grant HMRC the authority to share data with those bodies that require those data to carry out a range of public functions relating to trade. Currently, HMRC collects a range of data from import and export declarations that is shared with the European Commission, as well as with other Departments and public bodies, under information gateways governed by EU law. Such gateways will, of course, cease to apply once we leave the European Union, and numerous functions that are currently carried out by the European Commission will be transferred back to the United Kingdom. HMRC will therefore need to be granted the legal authority to request data from exporters and share that data to ensure the continued smooth operation of the UK’s trade frameworks and clear and informed policy making from my Department, as I said to the hon. Member for Livingston (Hannah Bardell). The powers in clauses 7 and 8 will grant that authority, and nothing more.

Lady Hermon rose—

Dr Fox: I give way once more to the hon. Lady, whose charms I cannot resist.

Lady Hermon: Thank goodness I am blessed with bundles of patience. I am exceedingly grateful to the Secretary of State for giving way. I am really worried about clause 7, which is extremely broad and gives enormous powers to HMRC. The Secretary of State will be well aware that there are hundreds of farms that straddle the border in Northern Ireland. Under clause 7, if those farms trade in machinery and cattle across the border—as they do daily—they will be obliged to give information to HMRC. The clause says that “any person” may be asked for such information. Would Sinn Féin MPs who represent border constituencies be obliged to give HMRC such information, as well as farmers?

Dr Fox: When we discussed this proposal with the Treasury and HMRC, we were keen to ensure that it applied to information related only to those elements needed to continue what we currently do and to gain the information that we believe we need for better trade policy making. HMRC was insistent that before it made any changes we restricted the power as much as possible, because HMRC did not want to become a huge bureaucratic organisation, as the hon. Lady suggests. We intend to define the power tightly when we set the regulations. I have had discussions with HMRC on the basis that we will not want to carry out a hugely bureaucratic exercise. Nevertheless, it makes sense for us to know exactly how much we are importing and exporting and which businesses are doing that. That is the basis for good future policy making.

The time will come when we can begin to forge new trading relationships around the world, building a truly global, outward-facing Britain—a country at the very heart of international trade—but this Bill is not about those new relationships. Instead, it is about preserving and ensuring continuity. We want to protect the access to global markets that is so vital to thousands of British businesses. We want to abide by our obligations to those economies that have already negotiated free trade agreements and other trade agreements with the European Union. The Bill grants us the powers necessary to achieve those aims.

We present the Bill for Second Reading with an eye to the future. It is explicitly designed to prepare for our departure from the European Union, while building the foundations that will facilitate successful future trading relations with the wider world. I hope Members from all parties recognise the value of the Bill and the measures it contains, as well as its importance in helping to provide much-needed certainty to businesses and consumers as our departure from the EU next year approaches. Trade is an issue that transcends party politics: it is an intrinsic part of our very way of life and our prosperity. The Bill is just the beginning, but it is a first step towards a stable, secure and prosperous future for the United Kingdom and our friends beyond.
3.15 pm

Barry Gardiner (Brent North) (Lab): I beg to move an amendment, to leave out from “That” to the end of the Question and add:

“This House recognises that on leaving the European Union, whether or not the UK concludes a new long-term customs union with the EU, it will need effective legislation to implement agreements with partner countries corresponding to international trade agreements of the European Union in place before the UK’s exit, to implement procurement obligations arising from the UK becoming a member of the Government Procurement Agreement in its own right, to establish a Trade Remedies Authority to deliver the new UK trade remedies framework, and to establish powers for Her Majesty’s Revenue and Customs to collect and disclose data on exporters, but declines to give a Second Reading to the Trade Bill because it fails to set out proper procedures for Parliamentary consultation, scrutiny, debate and approval of future international trade agreements, fails to protect the principle of Parliamentary sovereignty in the implementation of those trade agreements previously negotiated by the European Union and in respect of changes to existing government procurement regulations arising from the UK’s or other countries’ accession to the Government Procurement Agreement, fails to establish sufficient scrutiny procedures to replace those that have pertained while the UK has been a member of the European Union, fails to guarantee that European Union standards and rights will be protected in future trade agreements, and fails to render the Trade Remedies Authority answerable to Parliament or representative of the full range of stakeholders.”

May I take this opportunity to wish you, Madam Deputy Speaker, and all those in this place who in their various ways serve the public, a very happy new year?

Our country is in the throes of an extraordinary change in our constitutional arrangements. At this stage, no one can be entirely certain what the structure of our future relations with the European Union will be, but the Labour party is clear that the country cannot be left without the capacity to defend our manufacturing industry against unfair trading practices. Indeed, many Opposition Members will wish that the Government had been more keenly aware of the need for strong action on trade defence when our steel industry was put into crisis by the unfair dumping of Chinese steel, or when the United States took entirely unjustified action against Bombardier in Northern Ireland.

The need for a Bill to establish a trade remedies authority, to establish our independent membership of the WTO government procurement agreement, to enable us to maintain strong trading ties with partner countries that have had historical agreements with us through the EU, and to establish the power to collect and share trade information—all are uncontroversial requirements. However, the way in which the Government have gone about this process is not uncontroversial; it is quite the opposite.

On the face of it, this is a modest little Bill that has a lot to be modest about. The four things that the Bill does, it does badly. But what is worse is that the one thing it absolutely should have done well—namely, to provide appropriate parliamentary scrutiny and oversight of our country’s trade agreements—it fails to do entirely.

We were repeatedly told that the Trade Bill would provide the basis for the country’s future trade policy once we had left the EU. To quote the Queen’s Speech policy paper from last June:

“The Bill will put in place the essential and necessary legislative framework to allow the UK to operate its own independent trade policy upon exit from the European Union.”

It does not do that. Instead, it represents yet another attempt by the Government to appropriate to themselves powers that should by rights be afforded to Parliament.

I must acknowledge my bias: I voted to remain in the EU and I think our country has embarked on an act of economic self-harm. But I am 100% certain that those of our fellow citizens who did vote to leave the EU did not vote for sovereign powers to be taken away from the bureaucrats, as they regarded them, in Brussels, only to be handed over to the Secretary of State for International Trade. They thought—and, indeed, they were told—that we were taking back control to our sovereign Parliament, yet the Bill contains Henry VIII powers that explicitly give Ministers the right to amend primary legislation.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that it is somewhat anomalous that for the past 18 months we have talked about nothing but the sovereignty of Parliament, yet we as parliamentarians now have to beg for a role in our future trade arrangements?

Barry Gardiner: My hon. Friend makes an entirely fair point, and it is a criticism that I hope will be prosecuted fully in Committee.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I slightly disagree with my hon. Friend when he says that he is 100% certain about what people thought they were voting for, because leaving the customs union was not on the ballot paper at the referendum. Can I persuade him to encourage our Front-Bench colleagues to support participation in the customs union because, as he will know, that is the view of 85% of the Labour party membership?

Barry Gardiner: I am grateful to my hon. Friend, and I commend him for the article he published this morning on LabourList, which I thought was an excellent exposé of the Bill. To answer his specific question, once the UK leaves the European Union, it cannot remain in the EU customs union, because by definition when a state leaves the European Union all EU rules cease to apply to it, as set out in article 50. The customs union is an institution of the European Union; it has its legal basis in the European treaties and its functioning is set out in EU regulations.

Angela Smith (Penistone and Stocksbridge) (Lab): Will my hon. Friend give way?

Barry Gardiner: I will happily give way to my hon. Friend once I have answered our hon. Friend the Member for Nottingham East (Mr Leslie).

As we will no longer be a signatory to the European treaties and no longer come under their territorial scope, we cannot formally be a member of the EU’s customs union. As the EU’s treaties currently stand, only EU member states, and territories attached to those states, are actually members of the customs union. However, it is possible for the UK to enter into a customs union with the EU after Brexit, whereby we choose to have a joined external tariff and no tariffs on trade between the EU and the UK. That would, in effect, mirror the current arrangements. I think that my hon. Friend the Member for Nottingham East, like me, will have been
interested to find that provision to do just that was incorporated in clause 31 of the Taxation (Cross-border Trade) Bill, which we debated last night.

Dr Fox: Just for clarity, is the hon. Gentleman telling us that it is now the policy of the official Opposition to enter into a customs union?

Barry Gardiner: No, I am not telling the House that at all. I am happy to try to answer not only the letter of the Secretary of State’s question, but the spirit. Those on the Labour Front Bench have always tried to make it clear that we recognise the benefits of the single market to this country, and the benefits that traditionally the customs union has brought and that a customs union could bring. However, we are focused in the negotiations on achieving the benefits, rather than putting red lines around the structures, which is what the Government have done, and ruling those off the table.

Several hon. Members rose—

Barry Gardiner: I will make a little progress, because that was a very interesting diversion, but one that we will leave there.

Angela Smith: Will my hon. Friend give way?

Barry Gardiner: I will press on.

The Bill fails utterly to establish the legislative framework for the UK’s future trade policy, which it leaves entirely in the hands of Ministers. It also risks undermining the rights of the devolved Administrations through its undue centralisation of powers in Westminster. The impact assessment accompanying the Taxation (Cross-border Trade) Bill, which the House debated only yesterday, confirms that this Trade Bill was to provide the key measures necessary “to build a future trade policy for the UK once we leave the EU.”

We were looking forward to a full debate today on the future of the powers that we will have repatriated from Brussels, and how we might like to use them to make Britain what the Secretary of State calls “a great trading nation once again”.

Some of us believe that we still are a great trading nation, but clearly he does not.

Yet somewhere along the way the Secretary of State seems to have lost his nerve. Instead of the legislative framework for a future trade policy that we were promised, he has left us with this hollowed out little embarrassment of a Bill, which extends to just six pages and four schedules. We have no more than a vague suggestion that at some point in future we might return to the business of discussing whether Parliament may or may not play a role in overseeing our relations with trading partners around the world.

Angela Smith: Will my hon. Friend give way?

Barry Gardiner: I will now happily give way to my hon. Friend.

Angela Smith: I thank my hon. Friend. His earlier comments about the UK being unable to remain a member of the customs union after leaving the European Union are surely incorrect. Surely it would be possible for the UK to negotiate fresh membership of the customs union, in the same way that Turkey has done. Equally, surely it would be possible to negotiate membership of the single market on departure, in the same way that Norway and Iceland have done. It is entirely possible for the UK to renegotiate membership of both.

Barry Gardiner: I am very happy to respond to my hon. Friend, and I understand the distinctions she is making, but she will also understand what I have already set out about the force of the treaties, which is simply a matter of law. We will not be bound by the treaties and therefore we would not be able to continue as a member of the EU, and therefore as a member of the EU customs union, although, as I have pointed out, we could then come back and form a customs union with the European Union.

My hon. Friend asked specifically about Turkey’s relationship with the European Union. Turkey has a customs union agreement with the EU customs union, but it is not a member of the EU customs union—she should be aware of that—and there is therefore an asymmetry in the way in which its trade relations are conducted. The EU conducts the deals and agreements with third-party countries on behalf of Turkey that set its tariffs and quotas. Indeed, that has caused Turkey great concern, because while the Mexico-EU agreement means that Mexico can import cars into Turkey tariff-free, there is no reciprocal liberalisation of Mexico’s markets for Turkey’s textiles, and Turkey is extremely aggrieved about that.

Were we to have the same arrangement, we could be in a position in which the European Union concluded an agreement with the United States—for example, perhaps along the lines of the Transatlantic Trade and Investment Partnership, which many Members would have concerns about—to the detriment of this country but the advantage of the European Union, which we would have no control over, and without liberalising US markets to British exports. That would be an extremely bad deal indeed. I trust that fully answers my hon. Friend’s question.

Vicky Ford (Chelmsford) (Con) rose—

Anna Soubry (Broxtowe) (Con): Will the hon. Gentleman give way on that point?

Barry Gardiner: I will not give way again on that point.

International trade agreements have the status of treaties under international law. They cannot be repealed in the same way that domestic legislation can be repealed, and they create real and binding obligations on future generations to uphold their provisions. In a word, they are serious undertakings that demand the most rigorous procedural safeguards if they are not to cause lasting harm. As we take back responsibility for trade policy from Brussels, do hon. Members really think we should end up with less scrutiny and accountability than we currently have as a member of the EU?

My party made a manifesto commitment to ensure proper transparency and parliamentary scrutiny of all future trade and investment deals. That means parliamentary approval of negotiating mandates for future trade arrangements; proper consultation with trade union, industry and civil society stakeholders; comprehensive
impact assessments of the likely social, economic and environmental risks; a new scrutiny committee to fill the vacuum created by the loss of the existing powers over trade agreements; unrestricted access to the consolidated texts of trade and investment treaties as they are being formulated; the most rigorous ratification process, with a debate and vote on the Floor of the House—[Interruption.] The Secretary of State is chuntering away from a sedentary position, saying, “That’s not what this Bill is about.” My point is that that is what it should be about, and it is what the Government promised it would be about. That is why, when it comes to the new agreements that the Bill is creating, we need the powers that I am talking about.

Anna Soubry rose—

Joanna Cherry (Edinburgh South West) (SNP) rose—

Barry Gardiner: I will give way a little later to both the right hon. Lady and the hon. and learned Lady, but in the meantime I propose to make a little progress.

There is nothing particularly remarkable about any of the strictures that we laid down in our manifesto. Many other countries around the world have such procedures to exercise oversight over their Executives. New Zealand requires its Government to present national interest analyses before its Parliament. Australia has a separate joint scrutiny committee on treaties. Even in the EU, Germany requires all trade treaties to undergo a process of scrutinise by parliamentary committee before ratification can take place.

Currently, the Council of Ministers sets a negotiating mandate and the Commission is charged with implementing it. Our representatives in the European Parliament debate it and scrutinise it in the trade committee. The resulting treaty is then put under the powerful microscope of the hon. Member for Stone (Sir William Cash), who chairs the European Scrutiny Committee in this House. Once we leave the EU, all those institutional levels of accountability are stripped away and we will fall back on the 1924 Ponsonby rule. It was interesting to hear the Secretary of State say, “No, no, it’s all about the Constitutional Reform and Governance Act 2010.” Does he not realise that CRAGA actually gives legislative procedures to exercise oversight over their Executives?

The Government have a woeful record on transparency and democratic oversight when it comes to international trade agreements, so it pains me to remind the House of the exchange of letters, which were revealed just before Christmas, between the Department and the Office of the United States Trade Representative, in which the Secretary of State gave assurances to President Trump’s Administration that he will deny Members of this House access to information on the substance of talks held in the UK-US trade working group. The letter says that the following approach will be taken:

“Proposals, accompanying explanatory material, emails related to the substance of the working group, and other information, exchanged in the context of the working group, are provided and will be held in confidence unless otherwise jointly decided.”

Yet when the Secretary of State responded to my hon. Friend the Member for Vauxhall (Kate Hoey), who asked a trenchant question about the need for transparency, he said that of course he believed there should be full transparency. In fact, this obsession with secrecy should not be taken for a prudent desire to conceal our negotiating hand from the Americans. The provisions agreed by the Secretary of State are expressly designed to deny British MPs and the wider public any knowledge of what has already been discussed with the United States’ representatives. He will not tell us what he has already told them.

Anna Soubry: Talking of telling the House about policy, will the hon. Gentleman now tell us Labour’s Front-Bench policy on our future relationship with the European Union when it comes to the customs union? How does that differ from the Government’s policy, because I suggest that the Labour Front-Bench team is in agreement with the Government’s Front-Bench team?

Barry Gardiner: The right hon. Lady is free to suggest whatever she likes. I have dealt with the customs union at great length this afternoon and made our position quite clear.

All information exchanged between the UK and US officials will be kept secret until four years after the working group has been concluded. That is why hon. Members should not take on trust any verbal reassurances that the Government or the Secretary of State might give this afternoon. One has to establish good faith to earn trust.

Vicky Ford: Will the hon. Gentleman give way on the subject of transparency?

Barry Gardiner: On transparency, yes. The hon. Lady has been very persistent, so I will give way.

Vicky Ford: If I may, I want to take the hon. Gentleman back to his suggestion that the European Parliament is somehow a far more transparent organisation when it comes to discussions on trade deals, especially trade deals with the US. My memory is that the discussions with trade negotiators and MEPs were held behind closed doors, with only trade committee members and committee chairs present. The papers held by the European Parliament were all kept behind closed doors and were not transparent. I have heard the Minister say that he wants us to have a transparent process in which the House will be consulted and able to scrutinise future trade deals in a better manner.

Barry Gardiner: Look, the hon. Lady is of course right that the European Union held a lot of those discussions in private, particularly over TTIP. However, she may be unaware that although European Members of Parliament were able to access the text of the TTIP agreement, this Secretary of State refused for nine months to set up a reading room so that Members of this House could access the very same information that was available to her colleagues in the European Union.

Joanna Cherry: The hon. Gentleman has made a very powerful case for more scrutiny of future trade agreements by this Parliament, but it is not the only Parliament in...
the United Kingdom—there is a Scottish Parliament and a Welsh Parliament, and, I hope that, eventually, the Northern Ireland Assembly will be up and running again. With the CETA process, we saw the powerful influence of not only national and regional Parliaments in the European Union, but provincial Parliaments in Canada. Will the Labour party support such influence for the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly?

Barry Gardiner: I will deal with issues around devolution later in my speech. Indeed, that is something that my hon. Friend the Member for Sefton Central (Bill Esterson) will be addressing in his winding-up speech.

Having set the context, let us look at the detail. The Bill’s opening clause sets the tone for the power grab that is to come. It gives Ministers the power to implement regulatory changes as a consequence of any country acceding to or seceding from the WTO’s government procurement agreement. This is not a temporary power. It is not simply to facilitate our transition from a member under the wing of the EU to a member in our own right, as the explanatory notes to the Bill claim, but a power in perpetuity without the requirement for any scrutiny by Parliament.

The Government will use the sweeping powers of the Constitutional Reform and Governance Act 2010 to push through the UK’s independent membership of the GPA without a vote in Parliament. The Bill confirms that any future changes to the terms of the GPA will go the same way. We can talk about the merits of the GPA—I am sure that we will find much common cause across the Dispatch Boxes—but the Secretary of State said that we would be acceding on the “existing terms of participation”; if I wrote that down correctly. That is something that Members should be free to scrutinise and debate. The United States, Canada, South Korea and Japan have all put annexes to their schedules for the GPA that allow them to set aside and disapply regulations on behalf of small businesses and other organisations. That is something that we might wish to consider. It would be quite proper for us to do so, to boost trade for our small businesses, but the Bill, as currently formulated, would not allow that.

I have to confess that when I first looked at the GPA, I wondered what material difference this might make to British business. I was quite impressed to find that the Government’s explanatory notes showed that the GPA opened up £1.3 trillion of contracts to UK businesses—we should all rejoice in that—but when I checked the Bill’s impact assessment, I learned that the total cross-border earnings of our businesses from GPA contracts outside the UK is just £1.2 billion, which is less than 1% of that amount. I also learned that the total earnings by foreign companies from the £68 billion of GPA contracts inside the UK was £16.7 billion, which is about 24.5%. Will the Minister explain what the saving to the public purse was from this procurement agreement that merited £16.7 billion going to foreign companies while just £1.2 billion came back to the UK? There might well be a very good answer, but this is not precisely the sort of issue on which Parliament should have a proper role of scrutiny and holding the Executive to account? Of course, the Bill denies us the capacity to do so.

Clause 2 gives the Secretary of State the most far-reaching powers to implement new international trade agreements without the need for even a debate in Parliament. As his Department has confirmed, the clause includes the Henry VIII power to modify primary legislation without a vote. On that point, we were treated to the extraordinary spectacle of the Secretary of State resorting to the letters page of a national newspaper to deny what is printed in black and white—actually in black and green—in his own legislation. He must have been piqued by a number of articles in response to the Bill’s publication in November that accused him of appropriating powers that should, by rights, lie with Parliament. He responded on The Guardian website on the evening of 20 November, saying:

“In an editorial (13 November) you claim that the trade bill is ‘effectively granting ministers the power to write law behind parliament’s back’ with ‘Henry VIII powers’. This claim is repeated in a column by George Monbiot (18 November). This is untrue. The powers in the bill will only allow for amendment of secondary legislation covering existing trade agreements, and secondary legislation is still subject to parliamentary oversight.”

Yet it was not The Guardian that was wrong; the Secretary of State was wrong. He knew that he was wrong, although he did not correct his remarks, because clause 2 of the Trade Bill, which he had published just two weeks earlier, states quite clearly that the powers in the Bill make provision not only for the amendment of secondary legislation, but for “modifying primary legislation”. Lest there should be any doubt about this, the delegated powers memorandum published by the Secretary of State’s Department to accompany the Bill, which was quoted by the right hon. and learned Member for Beaconsfield (Mr Grieve) with such devastating effect earlier, states on its very first page:

“The Bill contains 6 individual provisions containing delegated powers. Two of these, clauses 2(1) and 7(3), include a Henry VIII power.”

This was not the case of a Cabinet Minister mis-speaking or being ambushed in a broadcast interview; this was a written communication that the Secretary of State placed in a national newspaper in the cold light of day that contradicted plain fact and the considered explanation to his own officials. I will happily give way to the Secretary of State if he wants to come to the Dispatch Box and explain himself by putting on the public record why he chose to suggest that there are no Henry VIII powers in this Bill when his own Department had already confirmed the opposite to be the case. I cannot claim to have served with Henry VIII. I cannot claim that Henry VIII was a friend of mine. But, to misquote Senator Lloyd Bentsen’s remark to Dan Quayle, I can say, “Secretary of State, you are no Henry VIII. This Bill is an affront to the dignity of your office and to the authority of this House.”

Clause 2 provides the Secretary of State with unprecedented powers to implement international trade agreements without a vote in Parliament. It is perhaps the most egregiously anti-democratic provision of the Bill, in that it allows the Secretary of State to engage in secret negotiations with a trading partner of the EU, to lay the results of those negotiations before Parliament without the need for a debate or a vote, and to proceed to incorporate the resulting treaty into UK law without the need for a vote either.

The Government have tried to justify this power grab with the sham argument that these are simply roll-over agreements—existing agreements that are just being
grandfathered. They claim that the corresponding agreements between 60-plus countries and the EU have already been through the process of scrutiny, meaning that the UK’s new agreements can go through on the nod. Yet the Government have been forced to admit that the UK’s new trade agreements are legally distinct from those previously negotiated by the EU. They are new agreements in international law. If we allow the Bill to go through as it stands, the Secretary of State, as the Government have acknowledged, will be given carte blanche to agree substantively new obligations with third countries and to implement them without a vote in Parliament.

The Government are aware of the magnitude of what they are attempting. The delegated powers memorandum could scarcely disguise its shame with regard to this part of the Bill. It says:

“It is recognised that Parliament will want considerable assurances from the Government that this power will not be used beyond what is necessary to ensure a seamless transition of the agreements in scope.”

The Government have given that assurance, but they cannot deny that the power is there. In the next breath, the memorandum claims, apparently without irony:

“The Department considers that this power is appropriate for the negative procedure.”

The negative procedure is the least rigorous procedure available to this House, as it allows the Government to bypass the need for a debate or a vote, or the possibility of amendment—there is nothing.

I ask the Minister to come clean and confirm to the House that the delegated powers memorandum is correct. Will he assure us that the Government will bring forward their own amendment in Committee to ensure that these new internationally binding agreements must go through a due process of proper scrutiny by Parliament, rather than being signed off by Ministers without a vote?

Geraint Davies (Swansea West) (Lab/Co-op): I applaud my hon. Friend’s speech. The Government are making out that this is all about roll-overs and business as usual. Does he accept that what will actually happen is that countries will want to negotiate new terms of trade because we will be a small minnow compared with the EU giant? What is more, when an EU quota is involved, countries within Europe such as Spain may want to take some of our quota. We will keep our quota only if we give better terms of trade, with lower standards, lower prices and a worse deal for us. That is why we must have scrutiny in this place.

Barry Gardiner: The honest answer to my hon. Friend is that I do not know, although I share his suspicion that that might well be the case. The point is that the Bill shows that the Government’s expectation is that these are not simply roll-over agreements and that, precisely as he suggests, third countries may demand additional features in new agreements. On that point, he is absolutely right and the Secretary of State is absolutely wrong.

Ian Murray: My hon. Friend will know that trade agreements require negotiation—it takes two to tango. This Parliament will be asked to delegate powers to the Secretary of State and the Executive to make changes to bilateral agreements with countries that already have EU bilateral agreements, so decisions that might involve sectors such as the Scotch whisky industry being thrown under a bus to protect other sectors will not come to this House.

Barry Gardiner: My hon. Friend is absolutely correct to say that that is a possibility, but while I have disagreements with the Secretary of State, do I think he is so foolish as to throw the Scotch whisky sector under a bus? No, I do not, because it is a very important player in our economy, as my hon. Friend knows. However, the point he makes is entirely right: it is possible that new interpolations in old agreements may do damage to other sectors. The point remains that this House—I repeat, this House—is the appropriate place for that to be scrutinised.

Clauses 5 and 6 deal with the establishment of the Trade Remedies Authority. We of course welcome the establishment of a new authority as an essential pillar of our international trade policy to ensure that British manufacturers are not exposed to dumping or other countries’ unfair trading practices.

Gareth Snell: I tried to push the Secretary of State on this point earlier, but my hon. Friend may be able to help. It is reported in The Daily Telegraph today that the economic interest test that the Government will apply will balance potential trade remedies against the impact that they may have on the wider negotiations for a free trade agreement. We could therefore have the perverse situation that, much as with the Scotch whisky industry, the ceramic industry in my constituency could be put to one side in the interests of the greater good of a trade deal with China. I do not believe that that is a good idea, and I am sure my hon. Friend does not, but the Government will not say so.

Barry Gardiner: I was very interested to hear the Secretary of State’s response to my hon. Friend’s question. It was a feat of Dispatch Box prestidigitation such as I have not seen for many years, because the Secretary of State appeared to agree with my hon. Friend while in fact disagreeing. My hon. Friend is absolutely correct. As we saw with the Taxation (Cross-border Trade) Bill, which we debated yesterday—that Bill sets out the role and powers of the Trade Remedies Authority—the Government certainly envisage a key role for not only the lesser duty rule, but such economic impact assessments. Of course we must conduct economic impact assessments—I know my hon. Friend does not disagree with that—and a balanced decision must then be taken, but, again, it is right that the House should scrutinise those things and ensure that they are genuinely in the wider interest. In particular, hon. Members with specific constituency interests—the ceramics industry; the Scotch whisky industry; the steel industry—should have the opportunity, at the appropriate point, for scrutiny.

Stephen Kinnock (Aberavon) (Lab): While the TRA will clearly play a very important role, does my hon. Friend agree that it cannot take a balanced decision unless it includes a wide range of stakeholders, such as the trade union movement, producers and representatives of the devolved Governments?

Barry Gardiner: I cannot tell you how pleased I am to have taken that intervention, Madam Deputy Speaker. Mindful of your strictures on time, as I always am,
I had actually excised a paragraph about that from my speech, so I am grateful to my hon. Friend for his well-made point.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. While the hon. Gentleman is addressing my strictures on time, I know that he will be thinking about concluding quite soon, because he would not want to be in danger of having taken even more of the House’s time than the Secretary of State.

Barry Gardiner: Indeed, Madam Deputy Speaker. The Secretary of State spoke for quite long enough; I will try to beat him by a short head.

The House will recall that the consultation on the Trade Remedies Authority ended on the evening of 6 November, but by early morning on 7 November, hard copies of the Trade Bill were already being delivered to Parliament. One can only suppose that the Secretary of State did not receive the updated consultation principles that were issued to all Departments in 2016, which state:

“Take consultation responses into account when taking policy forward... Do not ask questions about issues on which you already have a final view.”

Worse still, the Secretary of State has chosen to appropriate to himself the power to appoint all the key postholders of the TRA without any constraints on their representative function—that point echoes what my hon. Friend the Member for Aberavon (Stephen Kinnock) was just saying. He will even decide without limit how much those people will be paid. The Bill creates a lapdog, not an industrious and independent guard dog.

Labour believes that the Trade Remedies Authority should be formally constituted, so that it is fully representative of the key stakeholders affected by unfair trading practices. That means the experts within business and the trade unions who face the reality of dumping and unfair state subsidies as an existential threat to their jobs and industries, not a coterie of Rabbit’s friends and relations.

Finally, I must alert the House to the threat that the Bill presents to the devolved Administrations. Today’s international trade agreements reach far behind the border into the policy space of national, regional and local authorities. The Welsh Government have already established that several of the clauses in the Trade Bill pertain to areas covered by its legislative competence and have found restrictions on Welsh Ministers in the Bill that they consider inappropriate. The Welsh Government have therefore stated that whether they consent to the Bill will depend on the Government’s response to amendments tabled to address those shortcomings. The undue concentration of powers in Westminster to the detriment of the devolved Administrations mirrors the undue appropriation of powers by the Secretary of State to the detriment of this Parliament.

This Bill fails to establish the proper framework that would allow our country to develop a sound, legitimate and properly scrutinised trade policy for the future. Instead, we are faced with another sordid power grab by a Government forced to hide their own weakness behind a legislative veil that is technically and morally incompetent. The Opposition believe that the British people deserve better. That is why we have tabled the reasoned amendment. If it is not accepted, we will vote against the Bill.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The House will appreciate that while the Secretary of State and the shadow Secretary of State have been very thorough in their arguments this afternoon and patient in taking an enormous number of interventions, thus allowing a full and meaningful debate, the quid pro quo is that we have a short amount of time left. A great many people still wish to speak, so I have to impose an initial 10-minute limit on Back-Bench speeches, although that is likely to be reduced later in the day.

3.58 pm

Mr Mark Prisk (Hertford and Stortford) (Con): I note your strictures, Madam Deputy Speaker, and I will do my best to keep within that timeframe. I state for the record that I am a former Business Minister and a former interim Trade Minister, and I am now the Prime Minister’s trade and investment envoy to Brazil and the Nordic and Baltic nations.

I welcome the Bill and the fact that we will now have a legal structure that will create an opportunity for both continuity and consistency—which is somewhat more than can be said about the Opposition’s policy on a customs union. I welcome the fact that this is one of the very first Bills that addresses the issues that this nation will face after Brexit. Trading will be one of the top issues for all of us as politicians, not just for Ministers. If we are to be an outward looking nation, it is crucial that, both as a House and in government, we embrace trade, but what principles should inform that trade policy? What kind of approach should we take as we leave the European Union? In the short time available, I will offer three broad suggestions.

First, I agree with the strong sentiments expressed by the Secretary of State that we should renew our advocacy of free trade. I strongly believe in open markets—that free trade is the way in which we stimulate innovation and create new jobs. For the consumer, it means greater choice and lower prices; and by encouraging firms to specialise, which is one of the key drivers of trade, it increases productivity. Indeed, recent evidence shows that in companies that export, productivity rises by a third in the first year of trading. That is good for them, but it is also good for the wider economy. The Secretary of State was right to say that trade is also crucial for developing nations—indeed, it is through trade that millions of the world’s poorest citizens have been lifted out of abject poverty.

I strongly believe, therefore, that once we are outside the European Union, one of our core principles should be that the UK leads the way in advocating open markets and free trade. But as we have heard in this debate, free trade does not mean a free-for-all—trade without rules. For international markets to work, there have to be clear rules that we agree on, so my second point is that we must consistently work for a rules-based multilateral trading system, based on fairness and proportionality.

I strongly commend the Government, and particularly the leadership of the Secretary of State, for their engagement with the World Trade Organisation. In the last year,
British Ministers have been building up good working relationships within the WTO; they have taken the key steps needed to enable us to be an effective, independent member of the future. That is why the Bill is absolutely right to empower the Government to rejoin the GPA in our own right. Government procurement is a £1.3 trillion market, so it is clearly in our interests, but it is also important at this point for us as a nation to signal our intention to engage in that sort of plurilateral agreement.

A rules-based trading environment also means that we need to create new powers, so that we can challenge unfair or injurious practices when others break the rules; equally, we need to be able to respond when the market becomes distorted. That is why I very much welcome the creation in the Bill of the Trade Remedies Authority. I am sure that in Committee we will debate how that will work, but to be effective the TRA will need to be objective, it will need to be evidence-based and—as questions in this debate have already suggested—it will need to be free of political interference in individual cases. If I am a member of the Committee, I will want to ensure that the legal framework and the authority itself are able to pass these tests. Clearly, when there are unfair practices that are damaging UK businesses, the Government of the day and the TRA must act, but we must be careful to avoid creating rules that can be bent for political expediency.

As a former Business Minister, I know how intense the political and the media pressure can become. A really awkward case suddenly comes out of the blue—perhaps it involves a totemic, major British brand or company, or perhaps substantial job losses are threatened, affecting an individual town. The tempting path for us as politicians, quite naturally, is to instantly demand, “The Government must act! The Government must retaliate! The Government must intervene!” regardless of the evidence. But we should be clear as a House that if we go down that path—if we seek to bend the rules for uncompetitive British businesses—we will have created a cover for protectionism, and that path leads to economic failure. Protectionism makes an economy less competitive, reducing its ability to create new jobs. Domestic prices rise, which hurts the nation that is damaged the most. If we end up with a reputation for being protectionist, what will happen? Others will retaliate. In the end, if we want others to follow the rules, we must lead by example.

That leads me to my third point. We need a cultural change in both business and politics if we are to succeed as a global trading nation. We need not just more exports but more exporters. Our current trading is far too reliant on a small proportion of British companies—11%, according to recorded figures. I suspect that that is too reliant on a small proportion of British companies—too reliant on a small proportion of British companies—which means that others are doing well in the global market, and there is a strong appetite for British goods and services, but the business groups can do more. They can use their networks and resources and set the expectation that British firms should export. That should be the norm and should be expected of people in each and every business sector. It is the reverse at the moment. We need to change that culture. I hope that Ministers, and all of us as Members of Parliament, will continue to challenge the business groups that say they speak on behalf of business to ensure that they promote exporting.

We also need to change our thinking about trade agreements. A lot of the debate—I heard it again today about trade and Brexit—is all about comprehensive multilateral trade agreements. They will be important, particularly with our European neighbours and other regions, yet because of their scale and complexity few will be fully implemented in the next five, six or seven years, so we need to change our thinking. We need to recognise the role of bilateral and plurilateral agreements, particularly in regions such as the Pacific. The Secretary of State is absolutely right to take the pragmatic view and say, “Where is the growth coming in the world in the next 20 years?” It is in the far east, and we need to be in that market. We need to change our thinking.

The circumstances for most exporters are such that billions of pounds of exports are being undertaken today in areas where there is no formal trading agreement. We need to be pragmatic; we need to be smart; we need to be sharp. We should not always assume that this is simply about national Government to national Government. I have learned from my work in Brazil, for example, that the regional state of São Paulo, on its own, has an economy larger than most Latin American nations. We need to be sharp in how we engage with the regions and nations abroad and with their city states.

Free and fair trade is crucial, but we in the House should not kid ourselves that when awkward cases come up, those discussions will be easy. I want a remedies environment that is free of individual political interference; one that is objective and evidence-based. This is a strong Bill that will allow us to move from where we are to the next stage in our transition. As the Secretary of State has rightly said, there are more legislative measures to come, but the Bill has considerable merit. It is a shame that the Opposition seem to be trying to amend a Bill that is not before the House.

4.8 pm

Hannah Bardell (Livingston) (SNP): It is a pleasure to speak on behalf of the Scottish National party. I will do my best not to take up too much of your or the House’s time, Madam Deputy Speaker.

The UK Government have an opportunity in the Bill to show leadership, to engage widely and to consult with devolved nations, business and other stakeholders about what should be contained within it, but it seems like a paper-thin effort—and not a very great effort at that. Given the magnitude of Brexit and its potentially damaging ramifications, this pretty paper-thin Bill is an affront to democracy and lacking in any real detail—not a great start as we enter this new territory.

A hard Tory Brexit would be disastrous for the economy and completely undermine the Scottish Government’s efforts to boost Scotland’s trading position. We found out just a few moments ago that the UK Government have dropped their promise to amend devolution aspects of the European Union (Withdrawal) Bill and that they plan to do it in the House of Lords. That is shameful, because the Secretary of State for Scotland made a promise on the Floor of the House to the people of Scotland and Scottish MPs.

We have significant concerns about trust in the Government and about whether they can stick to their word. Regarding withdrawal, the Scottish Parliament...
should not have its powers in any way diminished. As we know, the Government cannot be trusted. The Law Society of Scotland, for instance, says:

“We are concerned by the extensive scope of delegated ministerial powers under the Act, mirroring concerns previously identified in relation to the use of Henry VIII powers in the context of the European Union (Withdrawal) Bill. It is not clear why the Government considers such wide powers to be necessary.”

It would be interesting to hear from the Secretary of State what his take on that is. In its excellent briefing, the Law Society of Scotland refers to “Clarity of drafting”, which it says is “central to good law-making.”

It says:

“Under clause 2(2) an international trade agreement means a ‘free trade agreement’, however ‘free trade agreement’ is not itself defined.”

That is a very important point. In all these discussions about free trade agreements, the actual definition is not given. The briefing points out that clause 2(2) also “refers to ‘an international agreement that mainly relates to trade, other than a free trade agreement’. However, ‘mainly’ does not grant sufficient certainty in terms of interpretation.”

I am no legal eagle, but I am sure that my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) will give us her take on matters later.

Lady Hermon: There is a very significant omission from the definition section in clause 4, which relates to Northern Ireland. When I asked the Secretary of State about that in an intervention, he repeated the Government’s mantra that there is hope of restoring the Northern Ireland Executive. If there were indeed that hope, one would expect to see some reference to the devolved authority meaning the First Minister and Deputy First Minister, hopefully acting jointly, but there is zero mention of those Ministers. The clause defines a devolved authority as “a Northern Ireland department”. The Government, I suggest, are clearly preparing for direct rule, and I am deeply concerned about that.

Hannah Bardell: I share the hon. Lady’s concern. It seems very much as though the Government are making policy on a wing and a prayer.

It is just over 20 years since the people of Scotland voted for devolution, for progress, to move forward and have power over some, but not all, of their own affairs. In 1997, voters in Scotland backed the creation of a Scottish Parliament by 74% to 26% and voted by 63% to 37% for it to have tax-raising powers—powers that we are very proud to be using.

The Scottish Parliament’s pillars of establishment include accountability: it is answerable to the people of Scotland. It should be open and encourage participation. It should be accessible, and should involve the people of Scotland in its decisions as much as possible. I remind the House of that not to give a history lesson, but to highlight what the people of Scotland voted for and what was delivered in devolution, on a cross-party basis. This Bill, and more generally Brexit, are not what Scotland, or indeed the rest of the UK, voted for. The Bill threatens devolution in Scotland, and it threatens the vote that took place 20 years ago.

Joanna Cherry: My hon. Friend quoted the Law Society of Scotland. Does she agree that it is important for the Tory Government to understand that it is not just members of the SNP who are concerned about the Bill, but that a wide section of Scottish civic society is completely behind the devolved settlement for which it voted so overwhelmingly in 1997? The Law Society’s trenchant comments should give the Government pause for thought about what they are doing. They should bear in mind that it is not just a political party that says they are undermining the devolved settlement, but an apolitical, professional association with great expertise behind it.

Hannah Bardell: I absolutely, and not surprisingly, agree with my hon. and learned Friend. It is true that Scotland voted by 62% to remain in the EU. My colleagues and I are here today to stand up for Scotland and what it voted for in that referendum and to defend and protect the powers of our Parliament in Scotland and the rights, protections and equalities that we enjoy by virtue of our membership of the EU. I for one am not going to let this chaotic and reckless Tory Government diminish or damage the powers of the Parliament, country and economy of Scotland without a very real and determined fight.

We should not have to fight for our voice to be heard here or in trade negotiations and any trade deals that are done. Scotland and the devolved nations should be treated as equal partners, and if we are not, we reserve the right to make a decision about our constitutional future.

Stewart Malcolm McDonald (Glasgow South) (SNP): Just today we learned that the Scottish Parliament’s Finance and Constitution Committee unanimously endorsed the view that it could not recommend legislative consent to the Scottish Parliament for the withdrawal Bill, and the Committee includes no less than Adam Tomkins, spokesperson on the constitution for the Conservative party in the Scottish Parliament.

Hannah Bardell: I thank my hon. Friend for that intervention. I am not given to agreeing with Professor Tomkins, but on this matter I do.

The SNP had a manifesto commitment to call for greater transparency in any proposed international trade deals following Brexit, with the UK and Scottish Parliaments being given a say. As I am sure the Secretary of State will know, there are 111 powers returning from the EU that intersect with the devolved settlement in Scotland and that must come back to Scotland and not be seized by Westminster.

The Law Society of Scotland has been much quoted, but I shall quote it again because, interestingly, it has highlighted the importance of extending a whole of governance approach to trade negotiations, and we very much endorse that. The Secretary of State will also know that we held a roundtable this morning with my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). The Leader of the Opposition was sorely missed; we would have loved to have seen him there. The Law Society of Scotland has said:

“We would urge further consideration of how trade negotiations will be handled where they intersect with the powers of the Scottish Parliament and other devolved legislative authorities where any proposed trade agreement will affect an area of devolved competence.”
Devolved Governments inevitably have different priorities. Indeed, as the hon. Member for North Down (Lady Hermon) has said, there is a country in the UK that does not have a Parliament, and we need this Government not to be making deals or imposing direct rule by the back door; they need to be up-front about what they are doing and how they are going to ensure that the devolved nations of the UK have their say in this process.

They have different priorities, and therefore trade negotiations must be carried out with their involvement. For example, the Scottish food and drink sector has had record growth year on year and has outstripped the rest of the UK. Under the protected geographical indication—PGI—scheme, the EU guarantees no trademark interference with the name of an area, specific place or, in exceptional cases, a country.

Mr Nigel Evans: The hon. Lady will have heard from the Secretary of State that our exports have increased dramatically since the decision of the British people to leave the EU. What aspects of the rolling over of the trade deals that already exist between the EU and other nations of the UK have their say in this process?

Hannah Bardell: I am not sure that I have referred to that at all; what I am referring to—[Interruption.] The point I am making is that the powers that will be given to this Government and the deals in place and the powers that intersect with the devolved nations will not be protected, so any future trade deals might well be imposed or impinged on, and our powers will be diminished.

Joanna Cherry: The point my hon. Friend is forcefully making—[Interruption.] Conservative Members laugh, but this is very important for the Scottish and British economy, because the biggest export from Scotland and indeed of the whole UK is Scotch whisky; that is what is keeping the economy afloat. It is very important to Scotland that trade deals such as that with South Korea are perpetuated on the same terms and that Scotch whisky’s geographical indication is protected. These are not just my concerns. I am holding an email from the Scottish Whisky Association, with which I am in regular contact. It wants these matters to be raised; it is used to hearing assurances from the Government, as am I, but we do not hear much else. Does my hon. Friend agree that the point is this: she is talking about the importance of—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. First, the hon. and learned Lady, whose eloquence is far above average in this House—that is meant to be a compliment—knows that she should not make such a long intervention. Secondly, she cannot have a private conversation with her colleague the hon. Member for Livingston (Hannah Bardell) and be looking away from the Chamber towards her; she must look this way. I call Hannah Bardell.

Hannah Bardell: Thank you very much, Madam Deputy Speaker. I absolutely agree with my hon. and learned Friend. The point is that we do not want to leave the EU; we did not vote to leave the EU. The legislation as it stands is insufficient, not only by our standards but by those of others.

As I was saying, some of our most globally renowned brands, such as Scotch beef, Scotch lamb and Scottish farmed salmon are among the 14 protected food names in Scotland, along with the Arbroath smokie, Dunlop cheese and Stornoway black pudding. Those are among the localities to have been given PGI status. In any trade deal after Brexit, we must be able to protect those Scottish brands. Scotch whisky is an important example. It is the UK’s biggest export and, quite frankly, we are getting a bit fed up with that trade propping up the UK Government and their economy.

Last month, the SNP Government published a legislative consent memorandum outlining why they do not intend to lodge a legislative consent motion in relation to the Bill. We firmly believe that policy responsibility and expertise for matters within devolved competence lie with the Scottish Government, who are accountable to the Scottish Parliament and to the Scottish people. We take democracy seriously in Scotland, and we do it pretty well. When we had a referendum in Scotland on independence, we had the widest possible participation. We included the future of our nation in it—the 16 and 17-year-olds who were sadly left out of the EU referendum but who will reap what is being sown by Brexit. We also had a proper timescale for the debate. We asked people what kind of nation they wanted to live in and be part of, rather than trying to exclude some people from society, to “other” them, and to blame them for the failures of the UK Government’s austerity plans.

This trade Bill is lacking in detail. It takes some serious and worrying pathways, and it is just the starter for 10. We are told that there is going to be a further Bill later, but why not get it right now? Why not be bold and stand by that old adage that Scotland is leading the UK, not leaving the UK? The Government could have put forward proposals for the devolved nations to have Trade Remedies Authority offices and their own permanent commissioners. A truly collaborative approach could have been possible.

Stewart Malcolm McDonald: My hon. Friend asks why the Bill is before us now. Is it not simply to cover for the fact that the Secretary of State—nice man though he is—does not really have a job?

Hannah Bardell: I thank my hon. Friend for that intervention, but I do not want to be uncharitable to the Secretary of State.

The trade White Paper was issued on 16 October, with a deadline of 6 November. That is not exactly a long period for the consultation and it did not give anyone much time to respond. When the Trade Bill was published the very next day, there was concern at the speed with which the process was concluded. The Manufacturing Trade Remedies Alliance, which I met recently, voiced anger on behalf of its members, saying that officials would have no time to analyse reaction to the trade White Paper or to brief Ministers on the industry’s concerns. This goes back to the point about conducting a proper process in a timeous manner.

Angus Brendan MacNeil: It is an excellent suggestion that the Trade Remedies Authority should have an office and a commissioner in Scotland. The balance that feeds into the equation of what remedies are taken cannot be properly achieved by an authority based only in London that has a London-centric point of view.

Hannah Bardell: Absolutely. This was an opportunity to move away from that London-centric psychology.
[Hannah Bardell]

In Scotland, Dave Tudor, the chairman of the Life Sciences Scotland Industry Leadership Group, published an open letter to the UK’s Brexit negotiators warning of the damage that uncertainty is already inflicting on the industry. These are his grim words, of which we should all take note:

“Widespread concern over regulation, movement of goods, access to talent and research and development and the negative impact this uncertainty is causing is set to intensify.”

I genuinely wonder when it will dawn on the UK Government and others across this House that our universities cannot staff their courses and are having to close departments, that they are dropping down the world rankings because they cannot attract talent and European funding and that we are becoming a union of diminished importance and influence. I for one have no intention of letting that happen to Scotland or, if I can help it, to the rest of the UK. As our First Minister, Nicola Sturgeon, said recently, “no Brexit is preferable to no deal.”

We accept that the UK Government should make preparations for the UK’s withdrawal from the EU, particularly with regard to maintaining the important continuity of current trading arrangements. This is of vital importance to businesses across the UK and the EU. However, we are concerned about the direction of travel in the Bill.

Since 2007, Scottish exports to the EU have grown by more than 25%, which is a clear demonstration that the single market is Scotland’s real growth market. Being part of the EU means that our businesses are operating within the world’s largest trading area. With 500 million potential customers, it is eight times bigger than the UK alone and contains eight of our top 12 export destinations. The financial services sector alone employs 40,000 people in Edinburgh, and over £500 billion-worth of assets are under management in the city. We have already seen banks move from London due to fears of a hard Brexit when we lose our membership of the single market. Just a month ago, the European Banking Authority announced it will move from London to Paris.

Patrick Grady (Glasgow North) (SNP): My hon. Friend is making a serious point that is in stark contrast to what the Government were originally coming out with, which was that Brexit would somehow lead to empire 2.0 and that the floodgates would open in terms of opportunities for the United Kingdom. In fact, the floodgates are opening in the opposite direction and people are fleeing the UK at the prospect of what is expected to be higher than the Scottish average, so I have real and grave concerns as a constituency MP. Many of the business people I have spoken to have expressed deep worries about the lack of experience in the Brexit and International Trade Departments. I pay tribute to the staff in those Departments, but those are real concerns that have been raised with me none the less. The Secretary of State for International Trade admitted in an interview last year that “Britain has turned down countries wishing to strike free-trade deals after Brexit because the government does not have the capacity to negotiate them”.

That somewhat contradicts his previous comment that securing a post-Brexit trade deal with the European Union should be the “easiest in human history”, but it is not so easy if the Departments do not have any staff.

The potential impacts are significant, ranging from planes being grounded the day after Brexit to fresh Scottish produce rotting in a protracted customs process, to prohibitive tariffs and diminished access to labour. Let us look airlines for example. As the London Market Group explained to me, a broad range of EU-based businesses, often undertaking activities critical to the EU economy, require specialist cover from the London insurance market, including airlines. Currently, the UK insurance market is the only location with the specialist aviation insurance knowledge and financial capacity to provide the full coverage for all risks faced by an airline. If airlines cannot get that insurance when we leave the EU, there is a risk that planes could be grounded at the end of March 2019.

I raised that on the Floor of the House on 11 September, and I was laughed at from across the Chamber, but I did not want to have a proper assessment of the economic consequences. Without contractual certainty, which is the fear following Brexit, there could be market disruption and dislocation in a range of sectors.

Hannah Bardell: I thank the hon. Gentleman for his intervention, but not all of them have said that. I am quoting directly from someone who has brought that information to me, but I appreciate that there are different views and different takes.

Angus Brendan MacNeil: Some in the aviation industry think that they can go back to the agreements that existed from 1945 to 1955, but those bilateral aviation agreements stipulate London airports, so maybe Heathrow is okay, but the rest of us will be left in hock.

Hannah Bardell: I thank my hon. Friend for his intervention, and I remind the hon. Member for Milton Keynes South (Iain Stewart) that it was the Chancellor who said that flights being grounded is a concern.
Financial services of all kinds, from insurance to loans to derivatives, could be disrupted because UK firms are not able to continue servicing EU customers, or vice versa. EU banks that have derivatives cleared through UK central counterparty clearing houses might be in breach of regulations, as those central counterparties may not be authorised. I appreciate this is a technical point, but it is important. Contracts may have to be unwound, or may become unenforceable. According to reports from the Association for Financial Markets in Europe, €1.3 billion of bank assets, including loans, securities and derivatives, may need to be moved from the UK to the EU. I am sure the Secretary of State is familiar with those issues, but I wonder what he and his colleagues will do about it.

This Bill also gives the Government power to implement agreements with partner countries corresponding to the EU’s free trade agreements. We have serious concerns about that, and we hear that the UK Government are off negotiating deals in the US—top-secret deals that the Secretary of State has said should remain classified for four years after a deal is struck, which boggles belief.

This Trade Bill also provides measures for HMRC to collect data on behalf of the Government—the hon. Member for Ribble Valley (Mr Evans) asked whether I did not agree that should happen, and I have no problem with it. It is important that it happens, but it is about how it happens. It is vital that data is collected in an appropriate fashion, and the Law Society of Scotland has expressed concerns:

“We are concerned that clause 7(1) grants a very wide discretion to HMRC to require information. The scope of this provision should be more clearly defined to give greater certainty as to the extent of information and the anticipated frequency and method of data collection.”

The focus of the Scottish Government, and of the Scottish National party in power in Scotland, has always been to preserve our place in Europe for the benefit of business, the economy and families everywhere. The only way a hard Tory Brexit can be avoided is if Labour joins the SNP in supporting our continued membership of the single market and the customs union in these Brexit negotiations. I know these Benches are not very cosy, but some of the bums opposite must be pretty sore from sitting on the fence. We really need to get together on this issue.

Liberty has expressed deep concerns:

“The plans are the latest attempt by ministers to undermine democracy and bypass parliamentary scrutiny of the Brexit process, after the EU (Withdrawal) Bill and Data Protection Bill contained similar ‘Henry VIII’ powers.”

The EU (Withdrawal) Bill defines “retained EU law” as including primary legislation that gives effect to EU mandates, such as the Equality Act 2010 and the Modern Slavery Act 2015.

The concerns continue to be wide ranging not just on the Opposition Benches but across society.

I close by sharing a little lyric I wrote that sums up the current situation:

“B-R-E-X-I-T
Fed up with Brexit, me three,
Trading relations headed down the ‘swance’
If it doesn’t fit on the side of a bus,
Then let’s not say it, don’t make a fuss
Phase one was a floundering mess
The Prime Minister said she did her best

The Irish border was the sticking point, and the DUP
Cross-border trade we’re told it’s possible, it’s about wording, you see
A fudge not a dodge
Or has the right hon. Lady for Maidenhead, really lost the thread?
The Brexit spool unravels
Our economy headed south and what about travel?
Blue passports we’re told
Ah, perfect, imported they’ll be, that’s me, I’m sold
Choose Brexit, choose a new queue,
At the airport, we’ll be going through
It’s for the next generation of children I fear
Erasmus, international trade, travel will be lost, I shed a tear.
LGBT rights, workers’ rights, equal pay,
All important things, the EU has paved the way,
On the night of the referendum, and then the next day
Promises made were dead straightaway
How will history judge, our politicians of today
All of us here, not well, I’d say
Not all of us want to be facing this mess,
In Scotland we voted to stay in, we think it’s for the best
So let’s get together and stop this guddle,
For the sake of our future, we need out of this Brexit muddle.”

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I had not expected this part of our proceedings to take quite so long. I now have to reduce the time limit to seven minutes.

4.34 pm

Anne Marie Morris (Newton Abbot) (Con): I will be brief. First, Brexit has already been a great success. We have seen great improvements in our economy and great opportunities for many businesses. Despite her wonderful ditty, I take issue with the sentiments of the hon. Member for Livingston (Hannah Bardell).

I am pleased that today we are talking trade because, when we talk about Brexit, trade is the key win as far as I am concerned. For me, it is vital that the 50 or so EU FTAs are properly transitioned. That is absolutely right. My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) rightly explained that the powers are wide, but when we are trying to transition that number of agreements in a relatively short period, we need the ability to make necessary changes. Let us remember that third parties have a say in this; it is not just about the UK going to these countries and saying, “Let’s do it the old way.” This is also an opportunity for us to do it in a way that benefits the UK economy.

This Bill is an important part of the whole Brexit piece. Although I understand that the prime objective of this legislation relates to the existing EU relationships and trade deals, there will be some new agreements and, de facto, the potential of their setting some form of precedent for the Government’s approach to doing future trade deals with other countries. I do not think it is appropriate to put this in the Bill, but it would be helpful to have something on the record from the Government about what exactly their trade policy is. What theme will bind their approach to these 50 agreements and future agreements with other states?
Communities Act 1972. I do think, though, that there exactly the same conditions applied under the European required, the Henry VIII powers are necessary. Indeed, forward by the Opposition because, given the speed going to be important.

Looking at this industry sector by industry sector is TRA and the future protection will not be enough. Russia? I do not think so, but it would be helpful if the we like to see the BBC or BT owned by China or we believe should never be in foreign ownership. Would consider whether there are key infrastructure areas that have not yet referred to in this debate. We need to forward, but there is an issue about security, which we was reviewed. In the end it was affirmed and it is going to. If we are talking about the economy versus the community and jobs issue, if I may put it that way, I want to hear that there is some commitment to retraining in those areas where there will be fallout. Clearly, those will be minimised, because the opportunity under Brexit is greater than the threat, but it would be naive not to recognise that there is that potential fallout.

People are increasingly talking about something called “fair trade”. That also has an old meaning—ensuring fair access to markets in developing countries—but it is now being twisted. The President of the USA is redefining “fair trade” to talk about “fair” support for his national industries, which is interesting because it is a way of trying to make protectionism look like fair trade and free trade. It is important that we remember that these words are now being twisted. It is important that the Government are clear about what is meant. Let us forget for a minute the language and think about what we want to hear something from the Government on it. If we are talking about the economy versus the community and jobs issue, if I may put it that way, I want to hear that there is some commitment to retraining in those areas where there will be fallout. Clearly, those will be minimised, because the opportunity under Brexit is greater than the threat, but it would be naive not to recognise that there is that potential fallout.

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Angus Brendan MacNeil: Absolutely; a number of deals with third countries will not be straightforward, and I will address the one with South Korea in particular—my hon. Friend pre-empts my speech very well.

It is striking that the UK, finding itself leaving the EU, now wants to ape exactly what the EU has been doing. It is as though the UK is tipping its hat to the EU and thanking it for leading the way—the EU has been doing such a good job that the UK wants to do exactly the same after we leave.

David Linden (Glasgow East) (SNP): As we take back control.

Angus Brendan MacNeil: Indeed.

This is to be done by the UK establishing partner agreements with third countries that correspond as closely as possible to the agreements the EU has with those countries. As my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) pointed out, South Korea is a particularly striking example because the 55% provision on rules of origin in the automotive sector cannot be replicated by the UK because the UK cannot produce the 55%. That would give South Korea licence to export to the UK automotive sector and disadvantage UK manufacturers. If we want to change that percentage, any Korean trade negotiator who hopes to keep his job for a further week is not going to just nod his head. He is going to look for some sort of quid pro quo. The question then becomes whether that is the ceramics of Stoke-on-Trent, Harris tweed or Stornoway black pudding. What could it be? Is it the whole of agriculture? We just do not know. That is the reality of how trade works. If I give something, I want something back in return. I do not just give something for nothing in a trade agreement.

The trade agreements to which the Bill applies include free trade agreements and international agreements that relate mainly to trade, other than free trade agreements where the other signatory and the European Union are signatories to the agreement immediately before exit day. Furthermore, all but five countries around the world are involved in regional trade agreements. Therefore, the UK would be joining company with East Timor, Somalia, South Sudan, Mauritania, and São Tomé and Príncipe in the gulf of Guinea. More strikingly, the UK would be joining company with East Timor, Somalia, South Sudan, Mauritania, and São Tomé and Príncipe in the gulf of Guinea. More strikingly, the UK would be finding itself with higher trade barriers with 27 countries in Europe, plus another 67 that are covered under the EU’s customs union.

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Much could be said about the breadth of the powers that the Government are taking, but I think that the point should come from the Department for International Trade, whose second permanent secretary told my Committee that replication “will depend as much on whether the party at the other end is prepared themselves or will seek to have some agreement that will allow common content. Until we have that detailed discussion on the replication, neither we nor they will be 100% sure of exactly how you will define what is as close as possible to what we have had with the EU.”

Time is against me, as I had hoped to have 10 minutes but have only two and a half remaining. One of the major issues that we have to consider is parliamentary scrutiny. Many countries allow parliamentary scrutiny of their trade Bills, including the United States, Australia, New Zealand and Canada—even the European Union allows that—so we are not asking for anything new. In the United Kingdom, whether it is Henry VIII powers or James II powers, which the Williamite revolution got rid of, this is the situation we might be left in. In trade negotiations there is give and take, with winners and losers within the negotiating countries.

Drew Hendry: My hon. Friend makes a powerful point about the need for proper and effective scrutiny. Does he agree that it is reckless to embark upon this course without first ensuring that Parliament has proper powers of scrutiny?

Angus Brendan MacNeil: My colleague is again absolutely correct.

In here, there are Members representing many constituencies—today they are on the Government Benches—who think that they will be okay. Governments change over time. Who makes the decisions and according to what criteria? Will decisions be made such as the bilateral aid agreements run from 1945 to 1985, in which the UK Government had a deliberate policy to support only London airports, for example? When Iceland wanted flights to Scotland, the UK Government tried to get them to fly first to London and then north to Scotland. It was Iceland that broke that. That was a deliberate policy of the UK Government. London is not the place it is today because of anything magical about London; it is the result of UK Government policy over many years. Other areas of the UK could be sacrificed in future, just as they have been sacrificed in the past, for the benefit of London or elsewhere. If there is no parliamentary scrutiny, on what basis will that be done? Will it be on the basis of the Secretary of State having a meeting in an airport departure lounge? It is not at all clear.

Hannah Bardell rose—

Angus Brendan MacNeil: I am running out of time and cannot give way.

Surely the devolved Administrations must be involved.

My hon. Friend the Member for Livingston (Hannah Bardell) mentioned the 111 powers coming back from Brussels. I am tempted to say that we must free the 111 powers from the grasp of the Westminster super-state, because that is what is happening at the moment. Those 111 powers should be going to Scotland.

Polls show that the EU has 68% support in Scotland and that the UK has 51% support. If Members were wise, they would not treat Scotland in the highhanded way the UK super-state is trying to do, because that will lead—I want it to—to an independent Scotland. If they were sensible, they would be more measured in what they are doing. The new Trade Remedies Authority should exactly mirror that point. [Interruption.] The Minister chunter from a sedentary position. “What does this have to do with the Bill?” It has everything to do with the Bill, because if you continue with your London-centric point of view, you will regret it in future—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I cannot let the hon. Gentleman say that. I will not regret anything; it is the Minister who will regret it. I will give the hon. Gentleman an extra 30 seconds to make his point properly.
Angus Brendan MacNeil: I am very grateful, Madam Deputy Speaker—you are indeed a great Madam Deputy Speaker—for the extra 30 seconds.

The Trade Remedies Authority needs to be current UK-wide, otherwise it will face the real temptation of being only a London-centric body. As things are given, things are taken. Some people are going to win and some are unfortunately going to lose. We have to ensure that that happens on the basis of thought-through decision making involving this place. I urge the House to be a champion for democracy and accountability in trade policy. This Bill needs to be amended accordingly, as my Committee more than knows. I think on that we can agree.

4.50 pm

Iain Stewart (Milton Keynes South) (Con): It is always a pleasure to follow the Chairman of the International Trade Committee, although I suspect that the only part of his speech with which I will agree is his praise for you, Madam Deputy Speaker. The rest of it, I suspect, we will disagree about.

I am grateful for the opportunity to speak in favour of the Bill. Many of the contributions we have heard in the debate confirm my fear that too many people want to re-fight the referendum and quite possibly deny the democratically expressed will of the British people to leave the European Union. As we heard from the right hon. Member for Birkenhead (Frank Field), who is no longer in the Chamber, the vast majority of fair-minded people, however they voted in the referendum, want us to get on with it and stop trying to re-fight the battles of 2016. That is what the Bill is about. It is not about re-fighting old battles or trying to shape future trade agreements; it is an important, practical, common-sense set of measures that will form part of the framework in which we can negotiate further agreements. The Bill is about giving continuity to our traders and investors, particularly companies with an interest in countries with which we have an existing trade agreement through the EU.

Several hon. Members have mentioned Scotch whisky. I declare an interest—I do my best to keep that industry going. However, the fear that the powers in the Bill will allow the agreements with third countries that we have through the EU somehow to disadvantage the Scotch whisky industry are completely wide of the mark, because this is about the continuity of existing arrangements. If there was a substantial rewriting of the basis of an agreement, that would be a new trade agreement, and would therefore not be covered by the principles of the Bill. It is important that we have the Bill, because doing nothing is not a credible option. Our agreements with countries that we have through the EU would simply come to an end if we did not have these measures in place. Whatever shape our future UK-EU trade arrangements take, the Bill gives us the flexibility to mirror those important third-party agreements in our domestic law.

I welcome all the provisions in the Bill, but in the time available, I wish to focus on part 3, which relates to trade information. It is clear to me from my previous work in the Department for International Trade that for too many years this country has underperformed its potential for exports and overseas investment. As we try to remedy that, it is critical that we obtain complete data on our exports and overseas investment. It is important, too, that we have more clarity about what constitutes exports and overseas investment, because many services that UK-based companies provide overseas, particularly with the advent of modern technology, might not be captured in the export data. For example, if a professional services company gives a software upgrade to one of its subsidiaries overseas, that might not be counted as an export.

If such data is available, it will allow both the Department and private companies better to support those who wish to expand their export activities. The Secretary of State’s Department has already made an important start in boosting our export performance through the new digital platform to provide enhanced and affordable insurance cover, which may be used where there is a political risk in the country to which the exports are destined, and the ongoing appointment of new trade commissioners, which will better reflect where our export markets are. My hon. Friend the Member for Hertford and Stortford (Mr Prisk) made the point that the traditional capital-centric model and distribution of our trade proponents does not necessarily reflect where the growth markets are. It is critical that we have flexibility and such additional resource. In addition, we need to work with banks, insurance companies, legal firms and other professional services, so that we can tap into their knowledge of export markets. It is critical that the Government, working with these bodies, are allowed to better provide export assistance.

We also need to go further and, like the Germans, use our chamber of commerce network better to support our exports. There is much that we can still be doing to learn from that. Not having an independent trade policy for 40 years has left us sluggish. We are starting to catch up, but there is much more to do. The Bill is an important part of that process.

Let me conclude by referring to an article that the Secretary of State published last week—his new year message. He hit the nail on the head when he said that one of his most frustrating experiences last year was returning from a very positive and optimistic overseas trade visit only to encounter waves of negativism at home. There is huge interest in British products, services and investment, yet too often we have self-defeating pessimism here.

My right hon. Friend the Secretary of State gets accused of not having a job and of not yet signing new trade agreements. Well, of course he cannot at the moment, because that is prohibited under our current membership, but he is doing a lot of preparatory work to ensure that, on the day we leave, we will be in the front seat to get these new agreements, whether they are complete free trade agreements or some other form of bilateral co-operation. That is the work that is going on. As we enter the new year, I hope that an important positivity—a can-do attitude—can prevail, instead of the self-defeating pessimism that so many seek to ply.

4.57 pm

Kerry McCarthy (Bristol East) (Lab): I believe that the Bill is unnecessary; that we should be seeking to stay in the customs union and the single market; and that we are better off in a union with no tariffs or quotas, as well as with the elimination of non-tariff barriers.
The EU market accounts for nearly 50% of our total trade, and trade under EU agreements with third countries, including the likes of Canada and South Korea, comprises a further 13%. Last month, the EU-Japan trade agreement was finalised, and the EU is starting to open negotiations with both Australia and New Zealand. We would benefit from all those agreements if we were to remain in the customs union.

I chair the all-party group on agroecology, which launched its report into post-Brexit trade at the Oxford real farming conference last week. The report sets out the importance of the EU for our food, feed and drinks market. In 2016, 60% of UK exports in those sectors were to the EU, compared with just 16% to Asia and 14% to North America. The picture is even starker for imports: 70% from the EU, compared with just 8% and 6% from Asia and North America.

Currently, we negotiate as a bloc of 500 million consumers in a market renowned for its high standards. After Brexit, we could be negotiating from a much-diminished position, and I have to say that, on our current record, we are not very good in this area. In January 2008, Gordon Brown announced a deal to sell pigs' trotters to China, following years of complex negotiations. In November 2017, nearly 10 years later, Meat Management magazine—I am an avid reader, as hon. Members can imagine—reported that the UK had finally got the go-ahead to start shipping those trotters out to China. This followed a lengthy process of technical negotiations led by the Agriculture and Horticulture Development Board in collaboration with the Department for Environment, Food and Rural Affairs, the Food Standards Agency and others, as well as inspections of UK facilities by the Chinese authorities. That example shows that it took 10 years just to get the pigs' trotters protocol off the ground. Imagine how long it will take to negotiate comprehensive trade agreements covering more than that.

There are a few general points of concern that I want to raise about our future trading relationships and the way in which trade deals and rules can affect people involved in the sectors in which I am interested. In 2014, I visited El Salvador to look at the impact of climate change on its farmers. I was told how its Government’s efforts to promote native seeds and more traditional, organic forms of farming had been thwarted because following the central America free trade agreement, they were unable to stop Monsanto peddling its wares. That raises concerns in my mind about what will happen when products come on the market that we do not have the power to reject post deal, even if we manage to carve out concessions when we negotiate trade agreements now.

The North American free trade agreement is held responsible for the tripling of obesity in Mexico, as fast food companies came in and flooded the market with high fructose corn syrup. To give a quite obscure example, the republic of Samoa has among the highest rates of obesity, hypertension and diabetes in the world. In 2007, in a bid to combat that public health crisis, its Government banned the imports of two favourite delicacies: turkey tails from the US and mutton flaps from New Zealand. But when Samoa joined the WTO in 2012, it had to lift that ban. A deal was struck that allowed it to add a 300% tariff to turkey tails for two years, and then a 100% tariff for one more year on top of that. After that, Samoa was told that its only mechanism was to resort to public health education. The lack of freedom that countries have under current trading arrangements concerns me.

Perhaps many Members here think that the people of the republic of Samoa should not be deprived of their freedom to eat deep-fried turkey tails, if that is what they really want to do, but the broader point is that if the United Kingdom is taking back control, we should be able to decide. We should set standards for what we want to import into this country. It is not about protectionism; it is about ethics, the economy and the type of sustainable and healthy society we want. That makes it all the more important that we have full scrutiny of not just the trade deals covered by the Bill that we are seeking to carry over—they cannot possibly be exactly replicated—but future trade deals. As it stands, MEPs and members of other EU countries’ national Parliaments will have more influence than we will, and it is not just national Parliaments. After all, it was the regional representatives in the Parliament of Wallonia who blocked the CETA deal.

The European Parliament does not have a formal role in EU treaty negotiations with third countries, but it is kept “immediately and fully informed at all stages of the procedure”, because its consent is often required. For example, it voted against the proposed anti-counterfeiting trade agreement in 2012.

The Library’s useful briefing on the Bill states that there are four ways that Parliaments can be involved in treaties:

“Setting the negotiating mandate...Scrutinising negotiations...Approving or objecting to ratification...Passing implementing legislation”.

Yet the Bill only deals with the fourth of those points. The Government plan to limit Parliament’s role on such agreements by taking powers through secondary legislation, with only the negative procedure available to Members. The Government should heed the advice of the Institute for Government, the Trade Justice Movement and others, and include in the Bill a guarantee that all future trade deals will be subject to a full debate and vote in this place.

Parliament should have the right to set a thorough mandate for each trade negotiation. We should have the right to amend and reject trade deals and the ability to review them and withdraw from them in a timely manner if we think it is in our interests to do so. We should be able to consider the need for environmental protections or human rights clauses in agreements and to seek reassurance about how they would be enforced. This is too important to be left to the say-so of Ministers. We already know about the spats that have occurred in Cabinet between the International Trade Secretary, who is all in favour of chlorinated chicken, and the Environment Secretary, who has said the United States would have to “kiss goodbye” to a trade deal if it wanted to include chlorinated chicken.

The Americans, meanwhile, are telling us that we must adhere to their rules and not set our own standards. Wilbur Ross, the US Secretary of Commerce, has said that the UK must ditch EU food safety laws. Last week at the Oxford farming conference, Ted McKinney, the US Under Secretary for Trade and Foreign Agricultural Affairs, said that the UK should consider the “reset
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[ Kerry McCarthy ]

button” on our food standards. There are many examples other than chlorinated chicken, including hormone-injected beef, food colourings and brominated vegetable oil. I make the plea for proper scrutiny; we must not let this be only in the hands of Ministers.

5.4 pm

Mark Menzies (Fylde) (Con): It is a pleasure to follow the hon. Member for Bristol East (Kerry McCarthy).

I am one of the Prime Minister’s trade envoys—I wanted to make that clear at the outset—but I speak today less as a trade envoy than as a constituency MP for a constituency that exports perhaps more than any other in the UK. We build Typhoon and Hawk fighter jets, and we make nuclear fuel, so we are dependent on international export markets. Tens of thousands of people are employed, directly and indirectly, as a result. I will focus on what this Bill is about and not what it is not about.

I pay tribute to the Secretary of State and the Minister for Trade Policy—I am delighted that both remain in their posts—for the work that they have done and the work, much of it unseen, that their very capable officials, both in Department and in-country, do day in, day out on behalf of the United Kingdom. By so doing, they are securing hundreds of thousands of export-related jobs. Once again, I put on record my thanks for what these hard-working civil servants do.

In countries around the world, not just those that I represent as a trade envoy but those that I visit, the one thing that comes up, particularly in a post-Brexit environment, is a desire to do trade with the United Kingdom—not just to continue the trade that we do, but to build trade relations where they do not currently exist. The countries that I represent—Peru, Colombia, and Chile—are three markets with high growth potential. They are also three countries where we massively under-punch; we are nowhere near as significant as we ought to be. The work that has been put in by the Department for International Trade is a genuine effort to redress that, but we can do that and meet the concerns in these countries only if the Bill receives its Second Reading tonight. The main question that one gets asked, not by people on the street but by senior Government officials and business leaders, is, “What’s Brexit all about?” The question behind the question is, “What does this mean for the trade agreements and the terms of business that we have?” A fruit grower in Chile exporting to Tesco, Morrisons or Sainsbury’s wants to know what Brexit will mean, in a post-2019 environment, for the thousands of people employed supplying UK consumers.

When I was in Chile and Colombia in November as a trade envoy, I was able to tell people that the British Government were putting measures in place through this Bill that would ensure the continuity of the relations and the agreements that we have in place with those countries as a member of the EU. The Bill is not about putting new trade agreements in place; it is about ensuring that at the moment of exit the terms and conditions of trade flip over, so that British businesses out there trying to secure export orders, or British companies that are importing from key markets, are able to do business with certainty of that continuity. If we do not give them that certainty, they will have to tell their constituents who are worried about potentially losing their jobs as a result of Brexit that tonight they stood in the way of giving businesses that export to or import from key markets that continuity and certainty. This applies to businesses big and small, and people in all parts of this country.

Wera Hobhouse (Bath) (LD): In a former life, I was the export manager for our family manufacturing business, and I was very much involved in exporting to other countries. It was certainly not the EU that stopped us from exporting—there were many other factors. Can the hon. Gentleman tell me how this Bill is going to make a difference?

Mark Menzies: Unlike the hon. Lady, I do not live in a former life; I live in the here and now, and I am thinking about what happens post 2019. The Bill will give continuity and certainty to companies that export. The trade deals that we have with, for example, Colombia, Peru or Chile are the result of our membership of the EU, and unless those deals are rolled over, as the Bill will enable us to do, there will be a gap that is disastrous for all the men and women living in our constituencies. The Bill is about looking to the future and dealing with the world as it is, not how we would like it to be.

Another key provision in the Bill gives the Government the ability to collect important trade data. That will ensure that the Government—the Department for International Trade or any other branch of the Government—can better serve the interests of British exporters and of British companies that import into this country. It will ensure that we put money into the supply chain and show that we intend to add value to the exports we are involved in producing. This sensible and practical measure shows that the Government are looking to the future.

The United Kingdom must, by agreeing this Bill on Second Reading tonight, send out a clear message that, in the post-2019 environment, we want to trade with the rest of the world. As part of the conversation with individual nation states, we must make sure that their respective legislatures—their congresses, senates or parliaments—put in place reciprocal legislative changes where necessary. Although that will not be necessary in every case, some such measures will be needed to ensure that the reciprocal arrangements also flip over in advance of 2019. Unless we send out such a clear message tonight, confusion will reign because, as I said at the outset, there is a distinct lack of clarity in many countries across the world about what the future looks like for them.

I urge the Government in their work. I recommend that the Secretary of State and the Minister ensure that our trade commissioners, where they are in place, continue the excellent work they have already begun and that DIT offices in such countries continue to be well resourced. I urge them to be ambitious.

Stephen Kerr (Stirling) (Con): Does my hon. Friend agree that the tone of the message we send out is also important and that it shows we are looking forward to the future, embracing existing opportunities and are positive?

Mark Menzies: Absolutely. The Bill is about Britain looking outwards, not inwards. It is about dealing with the world as it is becoming, and it is also about ensuring
that British companies and the British people working in those companies are best placed to take advantage of such opportunities. Only by earning our way in the world, not by making life difficult for British companies or creating uncertainty, can we pay for the public services that all of us expect and demand. By not voting for the Bill’s Second Reading, we would be making life even more difficult for British companies and sending countries around the world conflicting messages about what Britain will be like in a post-Brexit environment. I honestly ask Members to look at what the Bill is—

David Linden: A power grab.

Mark Menzies: Oh, we hear from a sedentary position that this is a power grab. We have not really heard from Scottish National party Members what they plan to do to support the Scottish whisky industry. If by voting against the Bill tonight, they frustrate the Scottish whisky industry, then shame on them. Conservative Members are committed to supporting British exports, dealing with the world as it is and continuing to battle for Britain.

5.14 pm

Ian Murray (Edinburgh South) (Lab): Happy new year, Madam Deputy Speaker, to you and everyone in the House. I want to send a clear message to my constituents, in response to the invitation of the hon. Member for Fylde (Mark Menzies), that I hope this Parliament votes some time to continue to participate in the single market and the customs union to protect the very jobs, businesses and future prosperity that he wants his constituents to be part of.

I am sorry if I sound slightly cynical this early in 2018, but the Secretary of State—I am sorry that he is not in his place—said on 15 June 2016, a matter of days before the referendum, “After we Vote Leave, we would immediately be able to start negotiating new trade deals”. Then, a year ago, on 9 January 2017, he said, “We are unable to negotiate new trade agreements while we are members of the EU.” He repeated that in the House during his opening statement. I am sorry if I appear slightly cynical about trusting the Government and believing that the powers will be used only if necessary, but I just do not believe that the intentions of the Government in these kinds of trade deals are honourable. I will highlight that with another point.

This Parliament will have no decision-making power at all on trade deals that are currently bilateral trade deals with the European Union. The point that I made to the Secretary of State and my hon. Friend the Member for Fylde (Mark Menzies), that I hope this Parliament votes some time to continue to participate in the single market and the customs union to protect the very jobs, businesses and future prosperity that he wants his constituents to be part of.

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This Parliament will have no decision-making power at all on trade deals that are currently bilateral trade deals with the European Union. The point that I made to the Secretary of State and my hon. Friend the shadow Secretary of State is that it takes two to tango. The hon. Member for Fylde (Mark Menzies) that I hope this Parliament votes some time to continue to participate in the single market and the customs union to protect the very jobs, businesses and future prosperity that he wants his constituents to be part of.

The Minister for Trade Policy (Greg Hands): The hon. Gentleman is making some important points, but like his Front-Bench colleague he is conflating future trade agreements with current trade agreements. To the best of my knowledge, no one we are speaking to is seeking significant revision of those trade agreements. They are speaking to us to roll over the existing trade agreements, which has nothing to do with a future free trade agreement, which I think the hon. Gentleman is deliberately conflating.

Ian Murray: So the Minister is telling the House that the 65 trade agreements currently between the EU and other countries will be grandfathered across to UK law without any changes. I am sorry, Madam Deputy Speaker, but that is utterly, completely impossible.

Greg Hands: I am sorry, but the hon. Gentleman has misquoted me. I am not saying that. What I am saying is that none of those third parties is seeking significant changes to those agreements. I am not saying that we will be successful in rolling over all those agreements. We are seeking to be successful in doing so, and that is a very different matter.

Ian Murray: Whether it be mutton flaps, which my hon. Friend the Member for Bristol East (Kerry McCarthy) talked about in the case of Samoa, the Scotch whisky industry, car parts or anything that this country currently exports, the people who have been watching this debate tonight should look at the television, rewind to 5.15 and listen to the Minister’s two responses. His first response was, “Nothing will change.” His second response was, “Nothing significant will change.” Whatever the process is, and whatever does change, this Parliament will get absolutely no say.

The Minister is right, and the Secretary of State hid behind this as well. The Secretary of State says, “Everyone is wrong today because we are talking about current trade deals.” So am I. Let us take South Korea as an example. The South Korea trade deal took a long time to conclude. A significant proportion of the deal affects the Scotch whisky industry—an industry that is doing rather well at the moment. If the South Koreans decide that that part of the agreement is not quite what they want, but this Government decide, “It’s okay; it is an existing trade deal so it is covered by this Bill. We will grandfather it across, but we will renegotiate that part,” this Parliament, I representing my constituents and people who represent the food and drink industry in this country will get no significant say. That is exactly what the Bill does.

Greg Hands rose—

Ian Murray: The Minister can maybe clarify when he sums up the debate, and I hope he does, because he has created a bit of confusion. I say this in the greatest of spirit to my own Front Benchers. I do not disagree with their movement on retaining the customs union and the single market during the transitional phase, but I do disagree with them on this. I say, with all due respect, that is no difference in principle, or even in practice, between a customs union and the customs union. I just hope that at some point, somebody looks at the significant detriment that this country will suffer from ceasing participation in both the single market and the customs union, and realises it is bad for the country.
[Ian Murray]

I do not say that to be rebellious or to undermine the Front Bench. I say it as a constructive comment from someone who disagrees with the current policy of my own Front Benchers. I hope we are able to move on that, because it is not about membership of the single market or the customs union; it is about the participation in them. If the EU decides that the negotiating position should be a certain way for this country, it will fall on future generations to take that burden.

It is beyond my comprehension that the Government have taken off the negotiating table participation in the single market and the customs union. The European Union (Withdrawal) Bill, the customs Bill—the ways and means Bill that we debated yesterday—and the Trade Bill that we are debating today, all boil down to one singular point. We could have extended our Christmas and new year holiday by another week, two weeks or three weeks by staying in the single market and the customs union, because all this legislation would be completely and utterly unnecessary. It would solve the Northern Ireland border problem, so the north-south problems on the island of Ireland would be resolved. It would solve the east-west problem between the island of Ireland and the United Kingdom. It would solve the problem with our having to renegotiate the trade deals between the EU and the UK—the very trade deals that may not have any significant changes, but may have significant changes—and it would take away the unmitigated, unprecedented and unnecessary Executive power grab from this Parliament to Downing Street that, in my view, is completely and utterly unacceptable.

I shall finish by saying why I think the Minister and the Government are on the wrong track. The Secretary of State for Foreign and Commonwealth Affairs, appearing before the Foreign Affairs Committee, talked about 50 new staff to enable us to enhance our embassies across the European Union to create bilateral trade deals when we leave the European Union. That is not 50 new staff at all; it is a reallocation of Foreign Office resources. It is new staff in those particular offices, but they are being reallocated in some way or other from other offices, and therefore our bilateral trade potential with third-party countries outwith the EU is diminished because resources are having to be put into bilateral negotiations with individual EU member states. That surely shows that the best way for us to move on is to stay in the customs union.

I tabled my amendment to the Bill yesterday to be published today not in any way to undermine anyone and not in any way to undermine my own Front Bench, but merely to continue to make the point that for the future prosperity of this country, to try to turn a very bad situation of our leaving the EU into not quite such a bad situation, we should continue to participate in the two things that would take away all these issues—the single market and the customs union.

Several hon. Members rose—

Julia Lopez (Hornchurch and Upminster) (Con): Admit the sparring over Brexit, it is easy to overlook our privilege in being the first MPs in over 40 years to debate the UK’s independent trade policy. This generation of parliamentarians stands at the foothills of an important new chapter in British history. When we come to look back on this era, I believe it will be regarded as a moment of crucial transition during which the post-war frameworks governing international politics underwent a crucial reform to reflect the reality of a globalised world and its changing power dynamics.

The character of that reform is up for grabs, and I therefore believe the UK has a huge role to play in ensuring that change delivers prosperity and security to people across the world. At its best, Brexit can aid in rebooting stalled progress in trade liberalisation and the setting of international standards in services and data, to govern and benefit properly from new technology, confounding the pessimists who see post-Brexit Britain as a diminished force.

Before I get too caught up in the moment, however, I record that the Bill before us today is relatively limited in its scope. Like the customs Bill yesterday, it is instead about preparedness. It sets us up for our independent status at the WTO, rolls over existing FTAs and EPAs, gives HMRC new powers to collect and share data on exports and makes way for a new trade remedies authority.

It would nevertheless be wrong to regard the Bill merely as administrative tidying, and I hope to offer my thoughts on its provisions in my capacity as a new member of the International Trade Committee. Reflecting the approach evident in the EU withdrawal Bill, this Bill is an understandable compromise between how our trade approach would look if we were starting with a blank sheet of paper and what necessarily needs to happen to prepare for March 2019 if we are to minimise disruption to UK businesses and consumers. I sympathise with the concerns expressed about the limited opportunity to scrutinise this and the customs Bill, but I accept that that is largely a result of practical constraints, rather than an Executive power grab. In time, though, it will be essential to have mechanisms in place for effective public scrutiny of new trade deals and to ensure that delegated powers do not extend beyond narrow technical changes.

The Secretary of State has been upbeat about the translation of existing trade deals when we cease to be party to the EU’s FTAs post Brexit by keeping it to a very narrow technical process without the possibility of renegotiation. I must express my own concern that that risks not proving to be such a straightforward process. I touched yesterday on the issue of tariff-rate quotas in my contribution to the customs debate. Existing trade partners might not wish to commence discussions on translating deals until they can see the shape of any EU-UK deal and might seek to change the terms of their FTAs with us. Those terms could actually improve, given that deals would be made without needing to account for the EU’s producer interests, but any renegotiation could prove time consuming. It is not clear how existing TRQs will be administered during any transition after March 2019. I would therefore welcome clarity from Ministers about which existing FTAs we are prioritising in the grandfathering process and what is being done to recruit even more specialist negotiation staff around any bilateral discussions.
In the creation of the Trade Remedies Authority, we have an opportunity to establish a globally respected, independent body that cements the UK’s credibility and reputation as a champion of competition, open trade and legal certainty. The EU’s own trade remedies process is unwieldy, bureaucratic and politicised, so there is a lot of room for improvement, but I should like to express my concern at the proposed powers being bestowed on the Secretary of State in imposing trade remedies—a structure considered to be 1970s thinking by panellists at a recent International Trade Committee hearing.

Many of us on the Conservative Benches like to think of ourselves as pro-free trade and pro-competition. None the less, our membership of the EU has sheltered us from the raw political choices that these ideas can entail. The politics of trade can be highly contentious and emotional, wrapped up in people’s livelihoods and an area’s industrial history. Less competitive domestic industries that benefit from protection often form powerful interest groups that can make trade protection measures politically alluring to any Trade Secretary, particularly when set against a consumer benefit that is very dispersed or sometimes apparent only in the medium term.

It is vital that we establish a robust, dispassionate and transparent trade remedies authority that has a clear duty to the wider economy and can unpick genuine concern about dumping or market distortion from protectionist producer interests. I should be grateful, therefore, if Ministers would consider commissioning detailed analysis of equivalent authorities in nations such as Canada, the US and Australia, in search of best practice. We might wish to establish a bifurcated model of two separate specialist bodies, the first working out whether dumping or subsidy has occurred and the second establishing whether injury has been caused. This could speed up the trade remedy process and lead to more objective outcomes. We might also want to look carefully at the TRAs board to ensure that it contains a consumer representative.

The Bill proposes the automatic grandfathering of EPAs with developing nations. I should like to see a time limit or a mechanism for automatic review placed on these agreements. Brexit ought to spur a new approach on trade and aid, particularly with Commonwealth countries, but I fear that EPAs might prove counterproductive and even damaging to our relationship with developing nations in this regard.

There will be much to say in future trade debates about how we incorporate commitments on data sharing, cross-border services, technology and standards into modern trade deals, entrenching British values and opening up new markets to services. I would also like to talk about the UK’s high animal welfare and safety standards and traceable livestock systems, but these are things for another day. For now, I will finish with my concern that the political imperative to conclude trade deals swiftly post Brexit does not lead us to overlook our long-term economic interest. To avoid such a scenario, I ask the Minister to consider setting up an independent organisation to provide impartial and dispassionate advice on our trade policies options, which is what happens now in the US and Australia.

I shall begin my own brief speech by explaining why I think that turning our back on the economic institutions of Europe is an error. I shall then explain why I support the current stance of the two sitting devolved Administrations in denying the Bill a legislative consent motion. Finally, I shall refer to changes that should be made to the Bill to ensure that any future trade deals are based on the principles of fairness, clarity and reasonable representation. I hope to speak about those matters in more detail during the Bill’s later stages.

The free trade agreements that we have with countries as a beneficial consequence of our membership of the European customs union account for nearly £140 billion of UK trade. Wales is a trading and exporting economy, which has recently been in surplus, and that is extremely important to us. The Minister said earlier that he believed that the Bill would simply translate these highly effective deals into domestic legislation. That was a bit like the characterisation by the Secretary of State for International Trade of a post-Brexit trade deal with the EU which he said could be the “easiest in human history”. However, we just do not know. We have no guarantee, and common sense suggests that it might be otherwise. Getting equal or better terms for our trade outside the EU after Brexit is a bit of a punt, to say the least.

Furthermore, while we remain members of the EU, and possibly throughout the transition phase, our Government will be precluded from finalising any negotiations with third countries. If we were to grandfather agreements and continue with the status quo ante Brexit, we will be reliant on the co-operation and good will of the 50-plus nations with which we have existing deals. This is a £140 billion gamble to try to secure trade terms that we already have.

My second point concerns the power grab. The Government’s default position on Brexit legislation now seems to include clauses seeking to claw back the powers of the devolved Parliaments. We have seen that in, for instance, this afternoon’s U-turn. Clauses 1 to 4 and schedule 1 to the Bill do just that by giving Westminster the power to change devolved legislation without consultation and without the consent of the devolved Parliaments. As I have said in previous Brexit speeches, this is no longer the 1980s or the early 1990s, and it is certainly not the 1950s. The UK is not a two-party, one-Parliament state, latterly globally dominant. Things have changed, but the Government seem to be in denial—and up with this we will not put. That is why I support the decision of the two sitting devolved Administrations to reject the legislative consent motion.

However, I will not leave it at that. Plaid Cymru is a pragmatic, positive party. We are determined to secure the best deal that we can for our country, even in these dark times. The Bill would set us on a deeply concerning path. Ministers might barter away the advantages of our high-quality agricultural industry and aspects of the NHS, perhaps to secure a “genius” trade deal with Mr Trump. Our amendment would ensure that trade deals were at least based on those principles of clarity, fairness and representation.

For clarity, we would require proper impact assessments, geographically focused and published at the beginning and the end of any trade negotiations. They would outline the impact of any potential trade deal on Wales and the other countries of the UK, and they would

5.29 pm

Hywel Williams (Arfon) (PC): I shall not repeat the points that have already been made by other Members, including the hon. Member for Livingston (Hannah Bardell), who made an excellent speech.
empower the public and elected politicians by giving them the information that is necessary for the making of democratic, ground-level decisions.

Hannah Bardell: Will the hon. Gentleman give way?

Hywel Williams: I am afraid that I have agreed not to take interventions.

For fairness, we propose parity of voting power. Any trade deal would require a ratification vote in all the UK’s Parliaments. That would be a genuine partnership. It is an unremarkable approach, which is common to European states and others throughout the world. For representation, as a first baby step, there must be Welsh, Scottish and Irish representation on the board of the new Trade Remedies Authority.

Let me end by saying this. I have been to a horse race only once in my life. Tempted to place a modest bet, I asked an experienced friend how I should judge the assembled naggs for winning form. He drew me closer and says confidentially, “Count the legs. If there are four, you are in with a chance.” As far as I can see, the Bill has only three, and is stumbling away from the finishing line in any event. We in Plaid Cymru will not support it tonight.

5.34 pm

Eddie Hughes (Walsall North) (Con): I am going to speak only very briefly because I appreciate that people want us to move on.

Part of the reason for my getting to my feet is that, if you live in Walsall North, you can believe that the country voted for Brexit. In my constituency a substantial proportion of people—over 70%—voted for Brexit. That is the same for Walsall generally and for the west midlands, so we would have to travel some distance from my constituency to get to a place where people did not vote for Brexit.

It is useful for me to have been in the Chamber for the entirety of this debate because I have learned a lot. It was good to hear the candid comments of the hon. Member for Brent North (Barry Gardiner), who said he voted for remain and his intention is to protect the UK from a path of economic destruction—I think that was the phrase; it was something along those lines. He is protecting the country from itself, effectively, because the people of Walsall North did not know what they were doing when they voted for Brexit and they need to be protected from their own decisions. What are they going to be protected from? Let me tell Members what I have learned during the debate. One of the things they are going to be protected from is the fact that when we leave the EU planes might not be able to take off from our airports. People of my age may remember hearing that the millennium bug was going to do the same thing. In fact, I was terrified to either fly or go to hospital because I was completely convinced that, if I was in a plane it would drop out of the sky, and if I was on a resuscitator it would stop functioning immediately. I was terrified, but what happened? I got wallowed and went to bed because I thought that, obviously, the world would end the next day. Incredibly, when I got up on 1 January 2000 everything was fine.

I heard the same sort of protestations in the debate on whether we should Brexit or not. It was said that economic Armageddon was coming the day after we voted if we voted to leave. So I woke up the next morning, excited that I had voted to leave, and expecting the world to end, but it has not; it has continued to prosper. Why has the UK continued to prosper? It is because we are an amazing country. We have some of the best—if not the best—universities in the world at one extreme in terms of academia, and we have Scotch whisky, which I learned only yesterday is such an important export to South Korea.

What do we want now for Brexit? We want certainty. Those who export or import at the moment want to know things are going to stay pretty much the same initially while we find our feet and develop new trading arrangements around the world. They also want to know that we are going to maintain access to the £1.3 trillion-worth of opportunities we have through the GPA.

I trust our excellent ministerial team to deliver these services and the process as part of the general Brexit process. I trust them not to use those immense powers for evil. I am trusting them to just put those powers to good use and to continue to ensure that the UK trades globally and in a way that is good for the people of Bloxwich and Willenhall. Why is that? Because if we trade internationally we know we get better access to a wider range of goods and services at the best possible price.

I will therefore be voting for the Bill this evening—the people of Willenhall and Bloxwich would expect no less—and I hope we can have a small amount of positivity for the rest of the debate.

5.38 pm

Emma Little Pengelly (Belfast South) (DUP): I welcome the Bill and its provisions. Along with the setting up of the new trade dispute mechanisms and enhanced trade information powers in relation to HMRC, the Bill is about protecting the UK against regression. It is about compounding and securing where we are now. To some, that may sound a little dull in ambition, but it is undoubtedly absolutely necessary and, in my view, is a prudent and timely approach to this matter, for, to grow and maximise the opportunities in relation to Brexit, we must first ensure that there is no regression.

As indicated by the Chairperson of the International Trade Committee, we on the Committee have been examining the issue of transitioning or grandfathering the existing EU trade deals with third parties. Regardless of how we voted in the referendum, we have to acknowledge the reality that, in the context of leaving the European Union, that is the sensible thing to do if we are to secure where we are at the moment. I welcome the fact that the Bill provides a legislative framework to allow that to happen.

Many people across the United Kingdom, regardless of how they voted in the referendum, want the Government to get on with the process of leaving the European Union, and they want two things to happen in that regard. First, they want the best possible trading deals and arrangements for the United Kingdom. Secondly, they want an orderly, sensible and smooth journey towards the Brexit destination. That journey will be aided significantly by ensuring that existing deals can be moved across and transitioned into the UK and third
party agreements, while addressing any required minor changes or any necessary redrafting. We have heard a little about that in the evidence to the Committee.

There has been a great deal of misinformation in relation to the Bill, and I can only imagine that that is why the amendment has been drafted as it has been. The Bill does not cover new deals; its covers only non-tariff barriers. As has been indicated, the agreements on the categories of deals to be transitioned have already been through the European Union scrutiny process. I have my own view about the quality, appropriateness and depth—or lack thereof—of accountability in European scrutiny, but there is an irony that those who praised the European scrutiny process are now, according to the amendment, questioning its adequacy. They are saying that the measures now need to be scrutinised again.

There are two aspects of this subject that have not been covered in detail in the Bill or the explanatory notes. I have not heard Ministers cover them. The first scenario relates to what would happen if there were a significant amendment in terms of the transition. I think we all acknowledge that it is not ideal to transition the current arrangements across because of the different nuances relating to, on the one hand, European Union and third party agreements and, on the other, United Kingdom and third party agreements. However, in recognition of the timeframe and of the need for security, that seems to be the prudent thing to do. However, there may be an opportunity to make a beneficial and significant amendment to the existing deals, and I would be keen to hear from the Minister what consultation he would be minded to carry out if that were the case.

Likewise, in a second scenario in which the deals are transitioned across, I think that many of us would want to build on that existing relationship and, in so doing, improve the deal in due course. In that way, the transition deal would be revisited. Perhaps this will come up in Committee, but I would like to hear from the Minister what scrutiny mechanisms would be used if these deals were revisited in a number of years’ time.

Faisal Rashid (Warrington South) (Lab): Will the hon. Lady give way?

Emma Little Pengelly (Swansea West) (Lab): I welcome the Bill, and I am pleased to see these first steps towards building an independent trade policy. I look forward to exciting new trade deals, but this Bill is about ensuring that we have continuity with the existing EU bilateral trade deals. I am a great believer in free trade and free markets, and I do not want to see any unnecessary barriers to trade. However, today, those true market values and principles—those rules-based values—are under threat. It is important that the rules are followed because, if they are not, that will destroy trust and faith not just in free markets, but in capitalism, and businessmen and women in this country who play by the rules will be unfairly penalised. That is why I welcome the establishment of the Trade Remedies Authority.

We need trade remedies because anti-dumping, anti-subsidy and safeguarding measures are necessary to ensure that a level playing field whenever people bring goods into this country. I mention that in particular due to the farmers in my constituency. I have had many meetings with them, and safeguarding comes up time and again. Our farmers work to some of the highest food and environmental welfare standards in the world. The Red Tractor scheme, for example, guarantees animal welfare, food safety, traceability and environmental protection in the UK. As we pursue a free trade and free market agenda, it is vital that we demand the same standards of farmers in other countries as we do of our own. We must have a level playing field.

I look forward to seeing more trade with developing countries—in particular, those badly affected by the common agricultural policy. This is an opportunity not just to get food at cheaper prices, but to use the strength of our large market to help other countries to achieve high standards in food production and animal and environmental welfare. I cannot think of any reason for voting against this Bill given the benefits that it will bring. For that and many other reasons, I am happy to support it and will be voting in favour of its Second Reading this evening.

5.46 pm

Geraint Davies (Swansea West) (Lab/Co-op): Members have talked about free trade, but Brexit is of course the biggest reversal of free trade in the UK’s history. Margaret Thatcher was a great proponent of the single market, which is the probably the greatest example of free trade in the world. She also did not like referendums and quoted Attlee, who said that they were the instrument of demagogues and dictators because of their use by Hitler. Unfortunately, we now appear to be withdrawing from the customs union and the single market. We are withdrawing from the EU, making ourselves much weaker in negotiations with other countries. We are also making the EU weaker. The EU is currently the biggest market in the world, but that title will go to China after we leave, so there will also be significant impacts on human rights, democracy and the rule of law.

Of course, this Bill is not directly about our relationship with the EU, but we will be reducing our trade with it due to the tariffs that will be imposed if we do not have membership—I hope we will—of the single market and the customs union. This Bill is about our relationship with third parties—the 65 agreements—but it is not fit for purpose in that respect, because it does not do what it says on the can. It claims that it can guarantee the continuation of those 65 agreements on existing terms, but it is intuitively obvious from a business point of view that other countries will see Britain up against the
Geraint Davies: I will let the Minister intervene, but he can respond to this as well. The EU has quotas for various countries, but other EU27 countries will want to take some of that business, and we will lose again and again.

Greg Hands: I am not sure whether the hon. Gentleman has been listening to the debate or my previous interventions, but that process has already begun. We are in conversations with third parties and none of them is behaving in the manner that he is describing. Let me put his fears to one side: I cannot promise that we will be able to transition every single agreement, but nobody is behaving in that manner.

Geraint Davies: The Minister tells us that third parties are not behaving like that at the moment, so he implies that they will not behave like that in the future—what false logic; what naivety. That is absolutely ridiculous. Any negotiator or country that sees Britain with its back to the wall, turning away from the biggest market in the world, will ask for more. If they did not say that they will give the money to Spain or wherever, they would not be doing their job. What is more, they will be dragging their heels, because they will know that the clock is ticking and that we need to get something sorted out. They have everything on their side. The Minister is so naive. All the negotiations over the past 40 years have been done by EU negotiators. We do not have the negotiating capacity. He is smiling glibly and pretending that it will be all right on the night, but it will not. People will remember what he has said today and how naive he was.

This Bill is simply not fit for purpose. It takes two to tango, and the Bill presumes, as the Minister does, that the EU will tango and not trip us up in the process.

The other facet of the Bill is secrecy and hiding what will happen. My hon. Friend the Member for Brent North (Barry Gardiner) said that the US-UK deal will be hidden for four years, and there are all sorts of fears about our having to import substandard food products from the US, including chlorinated chicken, which the Secretary of State looks forward to eating—his name is Fox—and hormone-impregnated meat. In the US, medicines are introduced into meat and asbestos is for sale. All those standards may end up coming through the back door under the cloak of darkness in these secret deals.

I know that the Bill is not about the US-UK relationship at the moment, but the Minister and the Secretary of State have mentioned CETA, which already enables certain changes to occur. There is a real risk that we will take on some of these problems. Indeed, there is a real risk that we will lose out on opportunities that the EU is creating, particularly in the trade relationship with Japan. That trade relationship will involve 600 million people and comprise 30% of the world’s GDP. The Europeans have built in environmental conditions, particularly through the Paris agreement, and other rights and protections that we enjoy in the EU, and the real problem is that downstream, due to both changing the existing bilateral relationships and as part of future trade relationships, the protections and rights we enjoy through our trade relationships in the EU will be bargained away. Whether it is human rights, environmental rights or consumer rights, those things are now inadvertently on the table, and that table is under the cloak of darkness, as there will not be public scrutiny.

There should be a guarantee of scrutiny, and we should ensure that the rights and protections we enjoy in the EU are sustained in future trade relationships. In my view, we should stay in at least a customs union, and ideally the customs union and the single market.

Mr Nigel Evans: The British people voted to leave the European Union, and they were told before and during the referendum that leaving the European Union meant leaving the single market—[Interruption.] Yes, they were. The Prime Minister at the time, David Cameron, said exactly that.

The hon. Gentleman clearly wants to use smoke and mirrors to drag Wales back into some form of European union in which we have to pay money to access the single market and the customs union. Surely that is money that should be spent on the NHS in Wales.

Geraint Davies: As we know, 51% of people currently want to remain while 41% want to leave. On the day, it is the case that the people of Wales voted as the hon. Gentleman said, but he will also know that Wales is the beneficiary of billions of pounds of EU, convergence funding, that 70% of our exports go to the EU and that 25,000 jobs in Swansea bay rely on the EU. It is very much in the interests of Wales to be in the single market and in the EU, and that is increasingly the view of the people of Wales. The people of Swansea West certainly voted to stay in the EU.

As everything unfolds, people are essentially saying, “I voted for more money, market access and a greater say, but I find that I am not getting any of those things. I am not getting what I was promised, and I want a final say on the exit deal.” People should have that final say.

Specifically on the money, we know from the Financial Times that we are losing £350 million a week, that the divorce bill will cost £1,000 per family and that the increase in inflation is costing the average worker a week in wages. That was not what people voted for, and people are worried about these deals. I have been contacted by Liberty, for instance, about the loss of workers’ rights and environmental rights, and even about issues such as slavery.

We want open and transparent trade agreements. We want the protection of being in the single market and the customs union, and we want people to have the right to a final say—to think again—on the basis that the facts have changed. That is what democracy and a sensible future for Britain is about.

5.54 pm

Vicky Ford (Chelmsford) (Con): It is enormously important that as we move through the period of the Brexit negotiations and into the future, we give business and consumers stability and continuity in trade agreements—not only in our trade relationship with the EU, but in our relationships with the 60-odd other
countries with which we currently trade via our relationship with the EU. We are living in a time of unprecedented change in the world, with the fourth industrial revolution and the digital revolution, and trading flows are ever-changing. It is crucial that at this time we hold on to the principles and remember the benefits of free trade. Free trade is not just about helping big business; it brings benefits for all. Opening markets brings opportunities for exporters and importers, large and small. Those businesses can then help to deliver growth, real jobs and opportunities. For consumers, trade brings more choice and lower prices.

It is incredibly important that we look at what this Bill does and does not do, because the entirety of our new FTAs will not be set just in this one move. This is an enabling Bill that maintains the right of British companies to bid on government procurement contracts in other parts of the world. We are talking about £1.3 trillion—there are so many zeroes on the end of that number—and we must protect that business. The Bill also protects our national interests such as the NHS and our broadcasters. It transitions our existing trade deals with those 60-odd countries into British law from the current EU relationship. I do not know how many Members have read CETA, but it is 1,568 pages long and I have read a lot of it. There will need to be changes when it comes into British law, which is why the Minister needs powers to make technical changes. The Bill allows us to collect and share vital information on our existing and potential future trade flows—this is information currently shared under EU premises. It will allow us to share and understand that information domestically.

Free trade is not a free-for-all; we have global rules that protect us. It is important that when those rules are broken, we can take remedies, which is why the Bill also establishes the new Trade Remedies Authority. It is incredibly important that it is up and running, and staffed with strength, well in advance of our new era. That is why we must make sure in Committee that its powers are made very clear, as I mentioned last night.

The Bill does not set a long-term trade policy. It is important that it does not do so today, because that needs to be properly consulted on with not just Members of this House, but the many stakeholders who are involved. There has been a lot of scaremongering about what free trade could involve. Free trade does not mean lowering our standards. It does not mean throwing out our environmental standards, our consumer protections, our environment law or our long history on human rights. All that can be preserved and should continue to be preserved in the new era, but it is right that the Government take time to consult stakeholders across the country on the priority of our new law.

The Bill also does not say, as Opposition Members were suggesting last night, that we should stay in the customs union. There seems to be some confusion about the benefits of a union with the customs union, and I would like to remind the shadow Minister about the deficiencies of the Turkish solution, for example: Turkey opens up its market to any trade that the EU signs itself up to, but Turkey cannot get access to the Canadian market in return, for example. The UK needs a better, more bespoke and more workable and practical relationship with the EU, as well as the rest of the world. I hope that we can start to work together this year to deliver that.

5.59 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): Had the Secretary of State been in his place, I would have reassured him that the Labour party knows that the Bill is a deliberately limited piece of legislation concerned with continuing the existing trade arrangements after Brexit. However, the fact that the Bill is about transmuting EU agreements into UK law does not mean that we do not have questions about, first, the process the Government are adopting; secondly, the degree of parliamentary scrutiny of the arrangements, or lack thereof—after all, the Institute for Government recommended that the Bill should ensure that there is parliamentary time for debate and scrutiny, but the Government seem to have ignored that; and thirdly, the possible effect of the Bill on future trade deals.

The Opposition recognise that the UK will need to formalise trading relationships with those third countries that have a trade agreement with the EU because, should Brexit happen, we will no longer be party to those agreements. However, the Government intend to award Ministers sweeping Henry VIII powers to amend retained EU law, so that they can fast-track the agreements. I join my colleagues in opposing the use of Henry VIII powers for such fast-tracking, especially when those powers might be used to water down or remove standards, safeguards, rights or protections. We heard no reassurance from the Secretary of State on that.

We want a truly independent Trade Remedies Authority to help to protect UK industry, but that authority should report directly to Parliament rather than to the Department. That seems so obvious that I do not know why the Minister has not already caved in on the issue.

The Bill awards to HMRC new powers to share limited taxpayer information with international bodies and Departments, including the Department for International Trade, but the circumstances in which the Government intend those powers to be used has not been made clear and the wording of the legislation is opaque. More clarity on that from the Minister would be helpful.

Many organisations are saying that the Bill is a missed opportunity to align Britain’s international trade and international development policies. The Government have been clear that trade is a route out of poverty, so they should be saying through the Bill more about how the sustainable development goals in particular could be used to achieve that aim. The Fairtrade Foundation has raised the potential effect of Brexit on Fairtrade, but it seems the Government have not fully considered it. The fair trade market is currently worth £1.6 billion and is dependent on an effective trading relationship with the EU27. Many fair trade goods are exported to one EU country before being processed and re-exported to other EU countries. It is not clear whether the Bill takes that into account.

Mr Nigel Evans: Does the hon. Lady believe that there will be an opportunity in future deals for value-added goods such as chocolate and processed coffee to come into the UK from continents such as Africa, rather than just the raw materials coming in and us adding the value?
The Trade Bill is a breath of fresh air to be brief, Madam Deputy Speaker—in fact, I have spent the past 10 minutes furiously editing my speech.

I welcome the Trade Bill. It is a breath of fresh air to be able to talk about the opportunities of global trade rather than just the process of Brexit. As the Secretary of State and many other Members have pointed out, the Bill does not cover new trade agreements, but rather aims to help with the process of transitioning the EU’s trade agreements to UK agreements. It is worth reflecting on some of the opportunities that will provide.

My constituents in Clacton voted strongly for Brexit. Of course, there was a range of issues behind that, including control over our laws, borders and money, as well as trade, but one key aspect of trade is ensuring that the deals we strike are consistent with British values, and specifically British values with regard to animal welfare. I fully recognise and support the reasons that our Executive have that power, because some countries have refused to sign them. It must be corrected.

The second point to make is that Ministers might not be able to talk about the opportunities of global trade and law could do more for animal welfare once we are outside the EU.

My message for Ministers is this: the Bill is a great step forward, but we must not simply fall back on adopting unrefomed EU law where there is clearly a case to use EU regulations as a stepping stone to a better place. For example, an EU pet travel regulation introduced in 2014 brought further measures to strengthen enforcement, which was welcome. As the UK withdraws from the EU, there will be opportunities to re-evaluate the rules to ensure that they are fit for the modern world and to exercise our trade laws and regulations more efficiently than the EU could.

Animal welfare has always been dear to my heart—and indeed, I fought against some outrageous puppy farming in Wales in the mid-1990s. Please do not assume that I am simply rubbish the work that the UK and the EU have already done on animal welfare and trade. The EU regulation on the welfare of animals in transport, for example, has achieved dramatic improvements, but does it go far enough? Animals must be transported in a way that will not cause them injury or suffering. European law that governs the welfare of animals during transport applies to anyone who transports live vertebrate animals in connection with “economic activity”—a business or trade. That is something that I am sure we all support.

My point is that with a more dynamic trading relationship with the world outside the EU, we cannot simply use old EU regulation as default. Rather, we should put British values of animal welfare, and the need always to improve, update and refine these rules, at the heart of our trade initiatives and associated laws. Let this Bill lay the ground work for a future trading policy that makes us proud of how we discharge our duties towards animals within the trading system.

Finally, the Executive need the powers to negotiate with the strength of the knowledge that what they say goes. More importantly, those with whom they negotiate must know that our Executive have that power, because otherwise we are all weakened. That is why I support the Bill.

Caroline Lucas (Brighton, Pavilion) (Green): I rise to speak in favour of denying the Bill a Second Reading, for two simple reasons. The first is that the Bill would simply not be necessary were the Prime Minister and her shambolic Cabinet to reverse their masochistic and deeply misguided decision to reject the option of a soft Brexit by making leaving the EU single market and customs union such a red line in their negotiations with the EU27. The second reason is that the Bill fails to provide for a proper role for Parliament in the scrutiny and approval of the replacement trade agreements.

The Secretary of State spoke earlier about his apparent commitment to openness and transparency, yet the procedure outlined in the Bill, far from being an improvement on EU scrutiny processes, is significantly worse in that respect. In the UK, trade agreements can be negotiated entirely under royal prerogative powers, giving the Government free rein to decide when and with whom to start negotiations, to decide their own priorities and objectives, to conduct negotiations in deep secrecy and to conclude an agreement without any meaningful scrutiny by Parliament at all. We in this House are therefore in a much worse position than our colleagues in the European Parliament or, indeed, the US Congress. That not only sidelines Members of this House, but prevents input from the public and civil society organisations. That is a huge democratic deficit that must be corrected.

The second point to make is that Ministers might well be absolutely wrong in suggesting that this is simply a case of rolling over existing EU trade agreements. As other hon. Members have made clear, plenty of countries

Dr Blackman-Woods: The hon. Gentleman makes a good point, but the point I am making is that it would have been extremely helpful to have had things like that flagged up in the legislation, partly to give reassurance to developing countries.

Global Justice Now has highlighted the problems with some existing economic partnership agreements because some countries have refused to sign them. It would have been useful for the Government to have taken that on board in the Bill and stated clearly that they would seek to improve on those agreements in future trade deals.

The Overseas Development Institute has presented some recommendations for the Government, which I think it would be helpful if the Minister addressed. It recommends that the UK should, first, apply the principle of “do no harm” so that, at the very least, existing unilateral preference schemes should be rolled over; secondly, prioritise the roll-over of existing free trade agreements with developing countries; and thirdly, align its trade and development policies.

There is a lot at stake. When I was in Bangladesh recently, I met a fair trade co-operative that has extremely good working practices and can export to a range of countries, including the UK. I urge the Government to support those sorts of projects and businesses, in this legislation and in future legislation.
with which we have trade agreements might not wish to be rolled over in that way, and they might have strong views about changing those agreements. Indeed, paragraph 53 of the explanatory notes states that “the new UK third country agreements that are implemented through” this Bill “will be legally distinct from the EU...agreements on which they are based. It may...be necessary to substantively amend the text of the previous...agreements”.

We need to recognise that we not talking about a straightforward roll-over; we are talking about essentially further parliamentary scrutiny for up to 10 years. If this was going to be as simple as the Government suggest, they would not need 10 years—they would not need 10 months, according to them—so there is quite simply a flaw at the heart of their argument. This Bill is supposed to help to implement an independent trade policy following withdrawal from the EU, but it does nothing to put in place the kind of framework that should be required for an accountable trade policy in a modern democratic country.

Nor have we had any guarantee from the Government that there will be a second trade Bill, covering new trade deals with non-EU countries. When I asked the Secretary of State earlier, he referred rather vaguely to vehicles that would be brought forward vis-à-vis each new trade agreement made. He has not made a commitment to a second trade Bill, which would be the vehicle for all the scrutiny and transparency powers that we would like to see. Unless the Minister is about to intervene on me—I would be delighted if he did—it is even more important to ensure that this is the Bill in which we put in place all the transparency and scrutiny mechanisms that we urgently need, whether we are talking about replacement agreements with the EU or non-EU trade agreements.

The kind of framework that we need would include, for example, the requirement for impact assessments to be conducted before negotiating or renegotiating a trade agreement. Those impact assessments should not be limited just to economics; they should cover social, environmental and human rights aspects and, crucially, they should be published. The public should be consulted about the potential deal, as is required in the US. If the decision is to go ahead, Parliament should be required to give its consent to a mandate for the negotiations, a procedure that could build on the model in Denmark.

The Government should conduct negotiations transparently, releasing texts before and after each negotiating round, building on the procedures in the EU and following practises that are common in other areas of international negotiation, such as the climate talks.

During negotiations, a parliamentary committee should be responsible for scrutinising developments, building on the EU system and enabling Parliament to direct changes of approach as needed. Crucially, at the end of negotiations, Parliament should be guaranteed a vote before the agreement is implemented, as are both the European Parliament and US Congress. This should not be just a simple, straight “up or down” vote, which comes with great pressure to accept bad aspects for the sake of something positive in the deal, but one that allows Parliament to insist on a good deal.

The Bill as it stands is simply not fit for purpose. It is not democratic and it does not take us forward in terms of taking back control. It takes us backwards.

6.14 pm

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I do not have enough time to address some of the particular details in this Bill in relation to the Marrakesh agreement, the general procurement agreement and some of the issues to do with the Trade Remedies Authority. This is a short Bill of 12 simple clauses, but it represents massive potential change for our constituents and for our economy. The Minister may wince as I say this, but we are not simply talking about rolling over agreements that already exist. The Bill may well have provisions that cover deals with countries with which the EU already has a deal, but, as he has admitted, those deals may be significantly different in their character when they come forward for approval under the proposed process.

I wish to address only a few points in the time that I have. The first one is on the very point of parliamentary scrutiny. When relatively new deals do come forward, albeit with countries with which we have historically had such arrangements, a negative statutory instrument process—a kind of rubber stamp where we do not have the capacity or the right to look into things—is just not good enough. There is a compromise way forward, and I genuinely implore Ministers to consider it. A pure affirmative statutory instrument process is not quite there; we need to accept that Ministers need the leeway and the flexibility to conduct negotiations, which is why I recommend the super-affirmative procedure, which sounds technical, but, under the Crime and Courts Act 2013, it allows Ministers to bring forward a proposal for a trade deal, to publish it in draft form so that we can consult on it, and then for a Committee of this House to make recommendations and report to the Minister and say, “Well, perhaps you have not thought about this aspect.” The Minister can set those suggestions aside, but there is the ability to amend the proposals and put them to the House for a final agreement. That would strike the right balance between improving parliamentary scrutiny for trade arrangements and allowing negotiations to go forward. I commend that super-affirmative process and I hope that such an amendment comes forward during the course of this Bill. At the very least, we need the same sort of scrutiny powers that Members of the European Parliament have at present, and the super-affirmative process would allow that.

My second point is that we really must get our skates on. If we go past March 2019, these 36—possibly more—trade deals with the rest of the world run the risk of expiring. If they do expire, we fall back on to WTO rules, where those countries will have to offer, under the most favoured nation arrangement, a tariff that could significantly harm our consumers. For instance, clothes from Turkey would carry an extra 12% tariff; fish products from Iceland, an extra 11% tariff; and fruit from Peru or Chile, an extra 13%. This is serious stuff for consumers and our constituents, which is why we must ensure that we make more progress. I am not convinced that that can be done by March 2019. We will certainly need a period of transition, and that transition needs to be a bridging period to allow us to conduct these negotiations and conclude them, and then give business the chance to adapt thereafter.
[Mr Chris Leslie]

My third point is that this Bill really should mandate Ministers to negotiate to stay within the customs union. I agree with the amendment tabled by my hon. Friend the Member for Edinburgh South (Ian Murray); it is absolutely critical. So many supply chains are at risk if we do not stay in the customs union. Some 2.5 million lorries going through Dover could be disrupted by very, very worrying friction, obstacles and barriers. Half our goods trade is with the European Union, our nearest neighbours.

There is also that big issue of the Irish border. The stability of the relationship between the Republic and Northern Ireland could be put in jeopardy if we have such a barrier in place, which is why the customs union is so critical. I say to all hon. Members, whether in the Government or on my Front Bench, that the customs union will determine the future prosperity and the revenues for our public services in this country. I do not want to be responsible for the austerity that looms in the decade ahead if we get this wrong. That is why we must stay in the customs union.

6.19 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As I and other hon. Members from the region highlighted during yesterday’s debate on the customs Bill, the north-east continues to have a proud record of being the only part of the UK consistently to export more than it imports, with some 61% of those exports currently going to the EU—our largest market by some measure. Many thousands of valuable north-east jobs and firms depend on the Prime Minister’s ability to deliver a good Brexit deal that secures frictionless, unbureaucratic, two-way access to the European markets; that is what my region clearly needs.

North-east firms are not solely focused on Europe, however. Emirates flights have been operating since 2007 from Newcastle International airport to Dubai, opening a whole range of new markets and opportunities to the region’s businesses and contributing significantly to the £350 million-plus of north-east goods that are now exported every year from the airport.

North-east businesses and the thousands of jobs they support need to have the confidence that they have a Government with the capacity swiftly to deliver complex new free trade agreements with non-EU countries that support, not damage, British businesses, workers, consumers and living standards. Sadly, the approach of the International Trade Secretary and the Foreign Secretary was only recently described as “ludicrous and clueless”, and a “kind of fantasy” by the former Treasury Minister, Lord O’Neill—too focused on markets that have relatively few benefits for UK firms. Sir Simon Fraser, the former chief civil servant at the Department for Business, Innovation and Skills and then at the Foreign Office, only this month described Ministers as living in “cloud cuckoo land” on this issue.

When I challenged the Chancellor during a Treasury Committee session towards the end of last year on whether it was his and his Department’s view that the potential benefits of feasible future trade deals with non-EU countries will outweigh the costs and economic disadvantages of leaving the single market and the customs union, he was unable to provide a straight answer. There are many who are very clear about their concerns that benefits simply will not outweigh the disadvantages. Indeed, I remain of the belief that it was a catastrophic error of misjudgment and national self-harm on the part of the Prime Minister to rule out participation in the customs union and single market before the Brexit negotiations even began. It was an error that could disadvantage north-east businesses, and firms across the UK and the British economy, for decades to come.

We face enormous economic consequences as a result of leaving the customs union. The UK’s current annual goods trade with countries within the customs union stands at some £466 billion. As a member of this Union, the UK is also party to preferential trade agreements with 65 countries around the world. We risk the deeply concerning prospect of a hard border between Northern Ireland and the Republic, as other hon. Members have mentioned. Meanwhile, British business faces significant non-tariff costs, endless red tape and time wasted on new bureaucracy, and the UK’s ports could grind to a halt—all of which would have truly dreadful implications for the country’s already poor productivity levels. Indeed, one of the Brexit Secretary’s own advisers has previously estimated that leaving the customs union would result in a permanent cost to the UK of around £25 billion every year until 2030, which is 1 to 1.2% of GDP.

I was pleased to add my name to the amendment tabled by my hon. Friend the Member for Edinburgh South (Ian Murray). What does the Bill do to address or mitigate any of the concerns I have outlined? Nothing. Instead, we have a Bill that manages to create further concerns, rather than address existing ones. It again fails to take the opportunity to make it clear that the UK’s future trade policy will set a gold standard on sustainable development.

After all we have been told about Brexit being about taking back control and the sovereignty of the UK Parliament, this Bill concentrates power into the hands of the Government, reducing transparency and democratic accountability by failing to commit to proper parliamentary scrutiny of future trade negotiations and trade deals, such as that currently undertaken by the European Scrutiny Committee and Members of the European Parliament, and, indeed, such as that which takes place in several other countries, including Germany, New Zealand and Australia. Sadly, this is entirely reflective of the Government’s entire approach to this historic process—prioritising the avoidance of scrutiny, transparency and accountability, and putting party over national interest at every turn.

6.24 pm

David Linden (Glasgow East) (SNP): I start by commending my home dawg from the east side, my hon. Friend—my honourable gangsta—the Member for Livingston (Hannah Bardell) for an excellent rap. I think it has since made the news back in Scotland.

Speaking on this Bill is not really an area of comfort for me, but there are two reasons why I rise to oppose it and will be in the No Lobby this evening. One reason is an email from a constituent of mine, Gordon Shaw from Burntbroom. Some of these points were made quite well by the hon. Member for City of Durham (Dr Blackman-Woods), particularly on a UK trade policy that is guided by poverty reduction and sustainable development goals, which are sorely lacking in the Bill.
The other reason I rise to speak is that during the summer recess, after I was elected, I spent some time at Soupworks, which is based in Queenslie; McVitie’s, whose biscuits are produced in Tollcross; and Dewar’s, whose whisky is made in London Road in my constituency. A common theme that came through in all those visits was the importance of staying in the single market and the customs union. The speeches by the hon. Members for Edinburgh South (Ian Murray) and for Nottingham East (Mr Leslie) were very good, but I continue to be disappointed by the policy that has been adopted by Labour in relation to the single market and the customs union. I do not think that all those young folk who were chanting the name of the right hon. Member for Islington North (Jeremy Corbyn) in Glastonbury really expected that they were chanting for somebody who seems to be intent on a hard Brexit, albeit a cliff edge that we will be going off slightly later than with the Tories. Even at this late stage, I urge as many Labour Members as possible to come round to the position that they would favour continued membership of the single market and the customs union.

I want to speak about the arrogance of this Government, particularly over the use of Henry VIII powers. Over the course of my time not in this House but as a sort of political geek growing up, I would sit and watch BBC Parliament and see the hon. Members for Stone (Sir William Cash), for Wellingborough (Mr Bone) and for Christchurch (Sir Christopher Chope) all talk about the sovereignty of Parliament. They have been completely absent from this debate. They are not here to talk about the fact that this Government are taking back a number of powers and, in effect, trying to make law behind Parliament’s back. I think that is deeply irresponsible, and I am a bit disappointed that they are not here tonight.

I also want to talk about the lack of consideration that the Government gave to the consultation that took place. The consultation closed, and within 24 hours this Bill was published. That does not suggest that the Government are taking anybody very seriously. Some 11,500 people wrote into the consultation, and well over 50,000 people submitted a petition. I do not have a huge amount of faith in the British civil service at the best of times, but the idea that it has gone through all those consultation responses and come up with a Bill based on that is frankly laughable.

It is important to make sure that any trade agreements do not come at the expense of standards and rights, because one of the things that this Government do have a pretty cool record on is trade at any expense. We see that particularly with the Government’s very disturbing relationship with Saudi Arabia. Frankly, this Government are complicit in the murder of Yemeni children, because they are quite happy to sell arms to the Saudis, who drop them on the Yemenis. That is deeply unsatisfying.

The hon. Member for City of Durham made some points about fair trade. The Fairtrade Foundation has, rightly, said that this Bill would not be needed if, when leaving the EU, we were staying in the customs union. The first question to ask is therefore: why? Is it in our national interest, and will what replaces the customs union be better than what we have at the moment?

We have had many debates and amendments on this subject already, and many of us across all parties have made the case again and again for staying in the single market and the customs union as the best deal we have and are ever likely to negotiate. On our side, we have a good news story to tell. As a member of the single market and the customs union, we know exactly what we have at the moment. We have the trade deals that we have negotiated, we know what we have, we know the trade deals that we have negotiated, we have a good idea of the direction of travel, we have certainty and we can look back on many years of continuous prosperity. What about the offer on the table from the Government? Are there any positives? This should be the debate in this House, but it is not.

Brexit is not about what is best for the country as a whole, but about a narrower agenda for what might be good for a small group of people and organisations. There will be winners from a hard Brexit, but our
country as a whole will not be the winner. This is why it is so mystifying that both the Government and the official Opposition want to leave the single market and the customs union. Each represents a different interest, but neither seems to care much about anyone else—the people in Northern Ireland who want peace, the people using public services that need to be properly funded, the jobs dependent on export and trade.

Travelling around the Pacific is not going to make much difference to UK trade. Talking to the United States is not likely to improve the trading links we already have as a member of the EU. It is the same across the world. Exactly what muscle and power will Britain have on its own, compared with its international influence as part of a big trading bloc? To borrow the Labour party’s soundbite, this should be for the many, not the few. Leaving the single market and the customs union will deliver for the few, not the many.

Another concern is about the role of Parliament in scrutinising what we might call replacement trade deals. This is about not new trade deals, but the ones we already have. One thing keeps cropping up in Brexit legislation: Parliament voting to give away its own power. This Bill is no different. We are not taking back control; we are transferring powers to Ministers, which is not a comfortable thing to do in a democracy.

As the House knows, the EU has about 60 separate trade deals with other countries. The Government assume that these agreements can be copied and pasted, just replacing the word “EU” with the word “UK”. Some countries, such as Japan, have indicated a willingness to accept such a deal. However, many countries appear determined to exploit the UK’s weaker negotiating position. Seven countries, including the USA, have already written to the UK to complain about how we will divide agricultural quotas with the EU after Brexit. It is unlikely that many trade deals can be copied and pasted. Therefore, it is vital that proper parliamentary scrutiny of replacement trade deals takes place.

It is ironic that the House of Commons Library has concluded that the UK Parliament has “a considerably greater degree of democratic involvement in treaty negotiations” for EU treaties than for UK ones. It has further concluded that this Bill “seeks to minimise Parliament’s role”.

Democratic scrutiny will be diminished unless this Bill is amended.

That brings us back to the question: why? Why are we doing this? The only answer, which I have heard again and again, is that the people voted for it. Have they? Yes, the majority voted to leave the EU in 2016, but show me the people who voted in 2016 to leave the customs union. Each represents a different interest, and again, is that the people voted for it. Have they? I did not, and I do not believe that most people did. Binary questions are wholly inappropriate, as my hon. Friend the Member for Swansea West (Geraint Davies) said.

I cannot support the Bill, for many reasons, despite the pressing importance of securing a framework for our future trading arrangements. I am a relatively new member of the International Trade Committee, and my overriding impression from the evidence we have heard is of just how complex our future trading agreements will become. These arrangements will take years to negotiate.

In this debate we have heard Members speak of agreeing terms with South Korea by way of example, but the international trade specialists and lawyers say that such trade deals will be possible only once Korea knows that we have completed our deals with all members of the European Union. Deals will be done by consequence. In so much of this debate the confident assertion is made that we will easily be able to transition across our agreements with Europe and establish free trade agreements, but I fear that there is a naivety about how this will work and the impact on our economy. The most important matter will be how the rules of origin are affected and the impact on UK trade, especially in sectors such as the automotive industry and aerospace, where complex supply chains currently operate so freely within Europe.

So the priority must be to remain within the European customs union or its body double. That is what the CBI and more specifically businesses such as Jaguar, Land Rover and National Grid want. They want it secured as soon as possible. As it stands, there are significant problems with the Bill. There is no framework for parliamentary scrutiny both of trade agreements and of agreements with those third countries via our current participation in EU trade deals, which will need to be rolled over.

Related to that, the Bill gives Ministers too great powers in relation to grandfathering agreements and the UK’s future trade policy. Compare and contrast how this works in Australia, where a cross-party committee negotiates and ratifies trade deals. Likewise in the US there must be a two-thirds majority in the Senate if a deal is to be approved. Perhaps we should look at something along the lines of the super-affirmative process as proposed by my hon. Friend the Member for Nottingham East (Mr Leslie).

The Bill leaves no role in practice for Parliament in the scrutiny of trade deals, and that should worry every Member in the House, given the scope and depth that trade deals can cover—everything from trading relationships from the EU, we believe that the people must have the final say. The people must finish what the people have started.

6.35 pm

Matt Western (Warwick and Leamington) (Lab): I am reminded that sometimes in life we have to be very careful what we wish for. Perhaps that is at the very core of the challenge facing the Government in delivering Brexit. They are not entirely sure what 52% of the public actually wanted. What did they seek to leave? Was it the single market or elements of the single market, and did they fully appreciate the implications of leaving the customs union? I did not, and I do not believe that most people did. Binary questions are wholly inappropriate, as my hon.

Election
and environmental standards to consumer protections, so Parliament must be given a final vote on the grandfathering agreements. I believe that the immediate prosperity of this country lies in safeguarding its businesses and the foreign investment that we have enjoyed over many decades. The likes of Nissan, Toyota and Honda some 30 years ago gave us a central importance within the EU.

I strongly believe that we should remain in the customs union or some form of it. It should be the Government’s priority to achieve that. The Bill promises anything but, and certainly not the control promised at the time of the referendum. For so many reasons, I will be voting against the Bill.

6.38 pm

Faisal Rashid (Warrington South) (Lab): This Bill is nothing short of an assault on parliamentary sovereignty and on our democracy. It is not an exaggeration to say that the Bill does almost nothing but undermine MPs’ capacity to scrutinise legislation. It gives the Executive the power to sign up to treaty obligations that Parliament will be powerless to debate or oppose.

We have heard time and again that Britain’s departure from the European Union was to be about taking back control and giving power back to the UK Parliament and the British people. Beyond this rhetoric, the Government have been reluctant to make much clear about its Brexit plans, but it is clear that the Bill fails to fulfil any promises to take back control. Instead, it leaves us extremely vulnerable to the interests of big business and of the Secretary of State. Colleagues will be aware that the Bill gifts Ministers sweeping Henry VIII powers to bring trade deals into legislation, with no opportunity for meaningful debate, for amendments or, crucially, for a meaningful vote.

As a Parliament, we have not been responsible for our trade policy for over 40 years, and much has changed in that time. If we are to create a trade policy fit for the 21st century, as the Government claim, we must be prepared to enact new statutory instruments that reflect those changes and allow Parliament to do its job. In addition, the Government claim that the Bill is being used simply to carry through existing deals, but there is no guarantee of that.

6.40 pm

Bill Esterson (Sefton Central) (Lab): It is vital for our economy and for jobs that new trade agreements are signed to replace the arrangements to which we are party as an EU member, before the UK’s exit from the EU. Contrary to the bullish assertions of Ministers, the implementation of existing arrangements actually means the renegotiation of each of the many agreements that the EU has with our partners. This is not a rollover—a point made very well by my hon. Friend the Member for Edinburgh South (Ian Murray), the Minister for Trade Policy said that third countries are not seeking “significant changes”. When the Minister sums up, perhaps he will explain why he is so keen to deny Parliament the right to judge what is and is not significant, because the problem with the Bill is that it proposes powers for the Secretary of State without scrutiny, and without the opportunity for Parliament to have its say on what is and is not significant. Those powers hold open the prospect of cuts in workers’ rights and opening up access to our public services to large corporations. They also raise the prospect of cuts in environmental and consumer standards—all pretty significant.

Fifty-seven per cent. of UK trade is either with the EU or with countries with which the EU has a trade agreement. Forty-four per cent. of trade is with the EU alone. Given that the EU is our largest source of trade, it is significant that the Chancellor has backtracked from the Prime Minister’s position where she ruled out membership of a customs union. We welcome the Chancellor’s clarification that he is supporting Labour’s position of leaving open the option of joining the customs union with the EU.

Angela Smith: Will my hon. Friend give way?

Bill Esterson: I will not, because I have an awful lot to get through.

Labour supports having new agreements for trade with those countries with which we currently have arrangements through our EU membership—hence our reasoned amendment. Anyone who has run a business knows that it is far more productive to maximise the benefits of existing relationships before developing new ones. It costs far more and takes far more time to negotiate new contracts, and that maxim applies to agreements between countries as well as those between businesses. It is simply not credible to expect existing trade with the EU to be replaced by trade elsewhere for many years—a point that was made very well by my hon. Friend the Member for Bristol East (Kerry McCarthy) with her story of the pig trotter protocol. In recognition of just how important existing trade arrangements are, it is therefore important to agree new trading arrangements both with current partners of the EU and with the EU itself.

The democratic deficit in the Bill is the reason for our objections and for the second part of our reasoned amendment. What happened to the agreement not to legislate on matters that affect the devolved Administrations without the consent of those Administrations? The White Paper included the pledge to obtain that consent. What happened to that pledge? Has the Secretary of State considered the fact that he is undermining the devolution settlement?

The Bill is silent both over Parliament’s involvement in scrutiny and its ability to block any trade agreement. Trade agreements concluded by the EU are subject to scrutiny by its Committee on International Trade at the European Parliament and by our own European Scrutiny Committee. Crucially, the loss of both scrutiny provisions leaves a vacuum—as pointed out by my hon. Friend the Member for Swansea West (Geraint Davies), who spoke of the cloak of darkness, and for City of Durham (Dr Blackman-Woods), who reminded us of the concerns raised by the Institute for Government.

The No. 1 problem with the Bill is that Parliament is being sidelined, which will allow the attack on workers’ rights and the opening up of our public services to the highest bidder that many on the Government Benches
want to see. We know of the Secretary of State’s desire for a deal with the US, so that its healthcare companies can enjoy a big payday at the expense of our NHS, and we know, too, of his views on employment rights. He told us:

“It is too difficult to hire and fire, and too expensive to take on new employees”—his words. The Bill allows him to start his race to the bottom by opening up public services and cutting workers’ rights by enabling him to change domestic law to do so, all in the name of being the price of agreeing new deals.

Other clauses in the Bill anticipate the need for the UK to join the government procurement agreement in its own right. The GPA gives access to contracts with foreign Governments—an area in which UK businesses need to do better—and we support the creation of a trade remedies authority, but the TRA needs to balance the interests of stakeholders, not simply back the import of cheap goods and services at the expense of UK manufacturing. The Secretary of State is looking very smug again. [HON. MEMBERS: “He always looks smug.”] Yes, he does. He talks about consumers at the expense of producers, but successful economies balance the needs of both. [INTERUPTION.] He is sitting there talking about steel protection. I am coming to that, so I am glad he mentions it.

The Government’s track record on trade defence and remedies is a further cause for concern. It was this Government who blocked attempts by the EU to protect our steel industry against cheap Chinese steel through their insistence on the application of the lesser duty rule and their refusal to allow the EU to take the necessary actions. At a time when the use of a lesser duty rule is being reduced elsewhere, the Government are out of step in wanting to continue with its use.

We also have concerns over the independence of TRA appointees. How independent will they be, when it is the Secretary of State who appoints them? We have just seen in the universities sector how easily the Government reward their friends by appointing them to do their bidding and how this can go badly wrong. Yes, Toby Young, we mean you. Questions have also been raised about the composition and actions of the Trade Remedies Authority. How will all stakeholders be represented—producers and trade unions, as well consumers? What about representatives from the devolved Administrations, who understand the needs and legal frameworks of the different nations of the UK, and what about representatives of local government?

Where is any proposed parliamentary oversight or scrutiny of the TRA? The mechanism to ensure that the TRA delivers a fair and level playing field for UK businesses, alongside workers and consumers, was raised yesterday during the Second Reading debate on the customs Bill. I am glad that the Financial Secretary is here, because we are none the wiser following his inadequate comments in that debate. The Bill also allows for data sharing with foreign Governments. Although the data to be shared is for trade purposes only, we know that some Governments share information between different Departments, the United States being a prime example.

I thank all right hon. and hon. Members who have contributed to the debate, particularly my hon. Friends the Members for Newcastle upon Tyne North (Catherine McKinnell)—unfortunately I missed her speech, as I had to rapidly leave the Chamber—and my for Warrington South (Faisal Rashid). The Bill, with its Henry VIII powers, gives Ministers the right to agree deals with far-reaching consequences, with no opportunity for scrutiny or rejection. That cannot be right. If a deal is not in the interests of the people of this country, our sovereign Parliament should be able to scrutinise and reject it, yet powers are being handed to the Secretary of State with no checks and balances for Parliament. Taking back control so that the Secretary of State can allow foreign companies access to our public services and cut workers’ rights, consumers’ rights and environmental standards—I rather doubt that that is what those in my constituency who voted to leave had in mind when they did so.

We will have no opportunity for proper scrutiny, completely inadequate checks and balances, and no right to a meaningful process in Parliament for trade deals. This Trade Bill, like the European Union (Withdrawal) Bill before it, is deeply flawed. That is why we tabled our amendment, and why we are opposing the Bill.

6.50 pm

The Minister for Trade Policy (Greg Hands): As you know, Mr Speaker, it has become almost a tradition in this place to pronounce, when winding up a debate, that it has been interesting, thoughtful, helpful, vigorous or useful. This debate has been all those and more. Above all, it has been illuminating. It has illuminated the chaos of the stance of Her Majesty’s official Opposition, as did last night’s debate on the Taxation (Cross-border Trade) Bill. It has revealed the deep divisions within Labour on anything to do with trade, customs and markets. It seems that whenever a Division is called on those matters—bear in mind, Mr Speaker, that it is of course the Opposition who call the Divisions—Labour descends into its own chaos.

When we considered the Queen’s Speech, 49 Labour Members backed an amendment tabled by the hon. Member for Streatham (Chuka Umunna) in favour of staying in the single market and the customs union. That was contrary to the manifesto on which they had fought only days earlier. On CETA, the EU’s free trade agreement with Canada, only 68 Labour Members followed the official line from the hon. Member for Brent North (Barry Gardiner) and voted against it, whereas 86 voted with the Government and their free-trade instincts in favour of the agreement. As one of them put it, “If you can’t have a trade agreement with Justin Trudeau’s Canada, who can you have a trade agreement with?”

When we considered the Ways and Means motions for the Taxation (Cross-border Trade) Bill just before Christmas, 28 Labour Members rebelled by backing an amendment in favour of staying in the customs union. Last night, 219 Labour Members voted against the Second Reading of that same Bill, which means that they are opposed to the UK’s having, post Brexit, any scheme of trade preferences for developing countries.

Geraint Davies: On a point of order, Mr Speaker. This speech is not about the Trade Bill; it is about the Opposition. The Minister had 10 minutes in which to talk about the Trade Bill.
Mr Speaker: I am grateful to the hon. Gentleman for his point of order. I know that the Minister now intends to attend to the Bill. That was by way of being his preliminary observation. He will now, I know, immediately segue into the matters that are of concern to the House today.

Greg Hands: Tonight, Mr Speaker, it seems that Labour Members will go even further and vote against the creation of the Trade Remedies Authority in the first place. They will vote against the ability of UK companies, including SMEs, to bid on government procurement contracts elsewhere in the world and against UK exporters continuing to benefit from the provisions of more than 40 EU trade agreements. All that bears witness to the staggering confusion that exists among official Opposition Members.

Before I respond to the individual points that have been made in the debate, I want to be very clear, because there is still a great deal of confusion on the Opposition Benches, about what is not in the Bill. It does not include a power to implement future free trade agreements negotiated with new countries. It is very much about providing continuity and stability by enabling the UK to implement the effects of the trading arrangements that already exist between the European Union and other countries at the point when the UK leaves the EU.

We heard excellent speeches from my hon. Friends the Members for Hertford and Stortford (Mr Prisk) and for Fylde (Mark Menzies)—two of our excellent trade envoys—and from my hon. Friends the Members for Milton Keynes South (Iain Stewart), for Hornchurch and Upminster (Julia Lopez), for Walsall North (Eddie Hughes), for Saffron Walden (Mrs Badenoch), for Chelmsford (Vicky Ford) and for Clacton (Giles Watling). Let me draw out four particular strands from those speeches. First, all the Members were very strong in pointing out what was in the Bill and what was not, particularly my hon. Friends the Members for Milton Keynes South, for Hornchurch and Upminster and for Clacton. We also heard some home truths about Brexit, particularly from my hon. Friend for Walsall North. My hon. Friend the Member for Hertford and Stortford agreed with calls for the UK to be a strong advocate of free trade and a supporter of the rules-based international system, which was very much what my right hon. Friend the Secretary of State and I did last month in Buenos Aires. We also heard some very important points about the definition of fair trade from my hon. Friend the Member for Newton Abbot (Anne Marie Morris).

Let me deal briefly with some of the points raised by Opposition Front Benchers. First, there was an allegation of an exchange of letters with the US trade representative, suggesting that the Department for International Trade had given some kind of assurance of secrecy. The opposite is true: the letters to which the hon. Member for Brent North (Barry Gardiner) referred do nothing more than set out a proposal for the proper handling of confidential information and are not an attempt to avoid scrutiny. In fact, the letters reaffirm our commitment to a transparent and inclusive process with specific reference to Parliament.

The hon. Gentleman also talked, as did the hon. Member for Glasgow East (David Linden), about the trade White Paper with reference to when the Bill was published. The White Paper was just one way of getting the shape of our future UK trade policy correct. Since then, we have also issued a call for evidence on specific EU trade remedies, which is still open. My door is open, and the Secretary of State and I have meetings coming up with the ceramics and steel industries and other important industry groups.

The hon. Member for Brent North asserted that transitioning deals would not be subject to any parliamentary scrutiny, as did many of his colleagues. We have every intention of ratifying all the EU free trade agreements currently in force before we leave the EU, including the EU-Canada CETA agreement, the South Korea agreement that was mentioned by the hon. Member for Edinburgh South (Ian Murray) and others, and the economic partnership with the South African Development Community. Those have already been subject to parliamentary scrutiny here, and there is of course a process for them to have further scrutiny as well.

The hon. Member for Brent North also raised the question whether Parliament can vote on the terms of UK membership of the GPA. The Bill creates the power to have stand-alone UK membership of the GPA, but the approval for ratifying the UK independent membership will be sought separately from Parliament.

The hon. Member for Livingston (Hannah Bardell) made various points in a thoughtful contribution. She said the Bill does not define what a free trade agreement is, but it does define that in clause 2(7) as “an agreement that is or was notifiable under” particular provisions “of GATT, or...GATS.”

The hon. Member for Edinburgh South made some points about Scotch whisky. There have already been two meetings of the trade working group with South Korea and there is absolutely no evidence that the South Koreans want to do anything at all against Scotch whisky. It would be against their interests and ours to do so. I, the Secretary of State and the whole International Trade team work tirelessly to promote Scotch whisky. I did that personally in Peru when lobbying about particular metal rules, and it has happened during discussions about rules in Taiwan.

Hannah Bardell: Will the Minister give way?

Greg Hands: I am sorry, but I do not have time.

The hon. Member for City of Durham (Dr Blackman-Woods) raised interesting points that have been under scrutinised both yesterday and today with regard to Britain’s trading relationship with developing countries. That is incredibly important and a strong priority of this Department, but I must point out to her that the official Opposition voted last night against powers to transition existing schemes of trade preferences and for the UK to have trade preferences for the developing world. That was not consistent with what she said today.

In conclusion, trade is a key driver for growth and prosperity, and an important part of both the UK and the world economy. The UK’s trade with the world is equivalent to over half the UK’s GDP. A recent IMF project to which my right hon. Friend the Secretary of State referred concluded that about 90% of world growth is likely to come from outside the EU. International
trade is linked to many jobs and contributes to a growing economy by stimulating greater business efficiency and higher productivity and sharing knowledge and innovation across the globe.

The Bill is a responsible first step. It is about continuity and stability. It is designed to provide continuity by ensuring that we have in place the right tools to ensure a smooth transition as the UK exits the European Union. That is in all our interests, so I urge colleagues to vote against the amendment. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 281, Noes 313.

Division No. 89] [6.59 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonya
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Chwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie

Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Dockerty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Ellard, Clive
Elliott, Julie
Elliott, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Flyn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gilbert, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Hamilton, Fabian
Hanson, rh David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hebburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kevin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keelley, Barbara
Kendall, Liz
Khan, Afzal
Kilren, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lamb, Ben
Lamb, rh Norman
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian

Mc Nally, John
McCabe, Steve
McCarthey, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinney, Catherine
McMahon, Jim
McMorris, Anna
Mears, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
Onasanya, Fiona
Oss, Melanie
Osaror, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Piddock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, rh Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Russell-Moyle, Lloyd
Saville Roberts, Liz
Shah, Naz
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Trade Bill
9 JANUARY 2018

Tellers for the Ayes:
Nic Dakin and
Jeff Smith

Clarke, Mr Simon
Clarke, Mr Kenneth
Churchill, Jo
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, Mr Greg
Clarke, Mr Kenneth
Clarke, Mr Simon

Ghani, Ms Nusrat
Gibb, Mr Nick
Gillan, Mr Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, Mr Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mr Helen
Gray, James
Grayling, Mr Chris
Green, Chris
Green, Mr Damian
Greening, Mr Justine
Grieve, Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, Mr Robert
Hall, Luke
Hammond, Mr Philip
Hammond, Stephen
Hancock, Mr Matt
Hands, Mr Greg
Harper, Mr Mark
Harrington, Richard
Hayes, Mr John
Heald, Mr Richard
Heaton-Harris, Mr Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, Mr Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Hudson, Mr Philip
Hughes, Eddie
Hunt, Mr Mark
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, Mr Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Mr Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Keeghan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, Mr Greg
Knight, Mr Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, Mr Andrew
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, Mr Philip
Lewer, Andrew
Lewis, Mr Brandon
Lewis, Mr Dr Julian
Liddington, Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Mark
Masterton, Paul
Maynard, Paul
McLoughlin, Mr Patrick
McPartland, Stephen
McVey, Mr Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalf, Stephen
Miller, Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, Mr Anne
Mitchell, Mr Andrew
Moore, Damien
Mordaunt, Mr Penny
Morgan, Mr Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, Mr David
Murray, Mr Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Neil
O'Farrell, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Paterson, Mr Michael
Pawsey, Mark
Penning, Mr Sir Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, Mr John
Rees-Mogg, Mr Jacob

Adams, Nigel
Afolami, Mr Imran
Ali, Mr Adam
Aldous, Peter
Allen, Lucy
Allen, Heidi
Amess, Sir David
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Mr Henry
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, Mr Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, Mr Karen
Brady, Sir Graham
Breer, Jack
Bridge, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, Mr Alistair
Cairns, Mr Alun
Campbell, Mr Gregory
Carling, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, Mr Greg
Clarke, Mr Kenneth
Clarke, Mr Simon

Umunna, Chuka
Vaz, Valerie
Walker, Thelma
West, Catherine
Western, Matt
Whitehead, Mr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr David
Williamson, Chris
Wilson, Phil
Wisht, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Cleverly, James
Clifton-Brown, Mr Geoffrey
Coffey, Mr Dr Therese
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, Mr Stephen
Crouch, Tracey
Davies, Chris
Davies, Mr T C.
Davies, Mr Glyn
Davies, Mrs Mims
Davis, Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, Mr Nigel
Donaldson, Mr Sir Jeffrey M.
Donegan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, Mr Sir Alan
Duncan Smith, Mr Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, Mr Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, Mr David
Fabricant, Michael
Fernandes, Suella
Field, Mr Mark
Ford, Vicky
Foster, Kevin
Fox, Mr Dr Liam
Francois, Mr Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David

Gibb, Mr Nick
Gillan, Mr Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, Mr Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mr Helen
Gray, James
Grayling, Mr Chris
Green, Chris
Green, Mr Damian
Greening, Mr Justine
Grieve, Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, Mr Robert
Hall, Luke
Hammond, Mr Philip
Hammond, Stephen
Hancock, Mr Matt
Hands, Mr Greg
Harper, Mr Mark
Harrington, Richard
Hayes, Mr John
Heald, Mr Richard
Heaton-Harris, Mr Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, Mr Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Hudson, Mr Philip
Hughes, Eddie
Hunt, Mr Mark
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, Mr Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Mr Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Keeghan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, Mr Greg
Knight, Mr Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline

Leadsom, Mr Andrew
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, Mr Philip
Lewer, Andrew
Lewis, Mr Brandon
Lewis, Mr Dr Julian
Liddington, Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Mark
Masterton, Paul
Maynard, Paul
McLoughlin, Mr Patrick
McPartland, Stephen
McVey, Mr Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalf, Stephen
Miller, Mr Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, Mr Anne
Mitchell, Mr Andrew
Moore, Damien
Mordaunt, Mr Penny
Morgan, Mr Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, Mr David
Murray, Mr Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Neil
O'Farrell, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Paterson, Mr Michael
Pawsey, Mark
Penning, Mr Sir Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, Mr John
Rees-Mogg, Mr Jacob
The House divided: AYES

Division No. 90

AYES

Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breerton, Jack
Bridge, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Connor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Cliffon-Brown, Sir Geoffrey
Coffey, Dr Therese
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Jackie, Dr
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Holloboone, rh Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkins, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, rh Mr David
Jones, Mr Marcus
Kacwczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malt house, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul

Question accordingly negatived.

Question put forthwith (Standing Order No. 62(2)), That the Bill be now read a Second time.

The House divided: Ayes 313, Noes 280.
Antoniazzi, Tonia
Amesbury, Mike
Allin-Khan, Dr Rosena
Ali, Rushanara
Abbott, Ms Diane
Selous, Andrew
Morrison, Dr Andrew
Mordaunt, rh Penny
Moran, Nicky
Morris, Anne Marie
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Andrew Stephenson
Stuart Andrew and
Andrew Stephenson
9 JANUARY 2018

Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stevenson, John
Stewart, Iain
Stewart, Tony
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Sym, rh Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tohillurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vazezy, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Wheeler, Mrs Heather
Whitaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Stuart Andrew and
Andrew Stephenson

Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julia
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Dr Jim
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Hamilton, Fabian
Hanson, rh David
Harran, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollett, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniassi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, rh Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Ashworth, Jonathan
Austin, Ian
Bailey, rh Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Ashworth, Jonathan
Austin, Ian
Bailey, rh Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Reeves, Rachel
Reeves, Ellie
Rees, Christina
Reed, Mr Steve
Rashid, Faisal
Qureshi, Yasmin
Powell, Lucy
Pound, Stephen
Pollard, Luke
Platt, Jo
Pollock, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel

Question accordingly agreed to.

Bill read a Second time.

TRADE BILL (PROGRAMME)
Motion made, and Question put forthwith (Standing Order No. 83 A (7)).
That the following provisions shall apply to the Trade Bill:

(1) The Bill shall be committed to a Public Bill Committee.

Procedings in Public Bill Committee
(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 30 January 2018.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Procedings on Consideration and up to and including Third Reading
(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings
(7) Any other proceedings on the Bill may be programmed.—(David Rutley.)

Question agreed to.

TRADE BILL (MONEY)
Queen’s recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52 (1) (a)).
That, for the purposes of any Act resulting from the Trade Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown, government department or other public authority by virtue of the Act.—(David Rutley.)

Question agreed to.

Martin Whitfield (East Lothian) (Lab) rose—

Mr Speaker: Order. I am coming to the hon. Gentleman. I am saving him up. It would be a terrible shame for the House to squander him at too early a stage of our proceedings.

Business without Debate

WELSH GRAND COMMITTEE
Ordered.
That:
(1) the matter of the Autumn Budget as it relates to Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 7 February at 9.30am and 2.00pm to consider the matter referred to it under paragraph (1) above; and

(3) the Chair shall interrupt proceedings at the afternoon sitting not later than two hours after their commencement at that sitting.—(David Rutley.)

Martin Whitfield: On a point of order, Mr Speaker. There are reports circulating in the Scottish press that the Government are not going to table any amendments to the European Union (Withdrawal) Bill. Could you advise me how the Government can be held to account regarding statements of intent that they made in Committee?
Mr Speaker: In general terms, we expect that if commitments are made to the House, they will be honoured. However, so far as the pragmatics of the matter are concerned, I would say to the hon. Gentleman and his colleagues two things. First, there will be an opportunity on Report to question and probe Ministers on their intentions, including why they are doing something or, alternatively, not doing something. Secondly, I do not sniff at the concern that the hon. Gentleman has just aired, but it is open to other Members to table amendments on Report. For example, if the hon. Gentleman thinks that he was promised a particular amendment on Report and that it is not forthcoming, it is open to him and his colleagues to table such an amendment or something similar, and thereafter to debate the matter.

Ian Murray (Edinburgh South) (Lab): Further to that point of order, Mr Speaker. During the passage of the European Union (Withdrawal) Bill through Committee, Scottish Conservative MP after Scottish Conservative MP said that clause 11 was deficient, but took the assurances of those on the Treasury Bench that amendments would be tabled on Report. Subsequent to that, at Scottish questions, the Secretary of State for Scotland gave an undertaking that amendments to fix the deficiencies would come before the House on Report. I wonder whether you have had any indication from the Secretary of State for Scotland that he will come to the House to correct the record and put us straight about when amendments to the Bill, which everyone has admitted is deficient, will be tabled.

Mr Speaker: I have had no such indication from any Minister. I think that both hon. Gentlemen, and indeed the hon. Member for Pudsey (Stuart Andrew), have been influenced in their thinking and their points of order by what they have seen in parts of the media today. In other words, this matter has been aired today, but it had not been aired to me today before now. Might it be? It might, but Ministers are not ordinarily in the habit of keeping me informed of their legislative intentions. I would therefore simply say that there are the opportunities to which I have just referred and, prior to that—the Report stage of the Bill in question will take place on 16 and 17 January which, in parliamentary terms, is a little way off—there may be other opportunities for Members who feel strongly about this matter to question Ministers, including perhaps in a particular Question Time, or indeed via the obvious mechanism of the business question on Thursday.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Further to that point of order, Mr Speaker. I wonder whether you had received any notice of a statement to be made by a Wales Office Minister—indeed, I understand that the hon. Member for Pudsey (Stuart Andrew) has been appointed as a new Wales Minister. Similar assurances were given during our consideration of the Bill that led a number of us not pressing amendments to votes. As you will be aware, Mr Speaker, there was considerable competition for votes during those proceedings, and assurances were given in good faith that Government amendments would be forthcoming on Report to deal with the many, many serious constitutional questions that were before the House. Those do not appear to be forthcoming, so I wondered whether you had had a similar indication from Wales Office Ministers.

Mr Speaker: The short answer is that I have not, but I do take this opportunity, en passant if you will, to congratulate the hon. Member for Pudsey (Stuart Andrew), who I imagine will be enjoying his promotion, and whose promotion I am sure will be popular in the House, as he is a most congenial colleague. It is possibly a little early for him to have got on to this matter, but what I do say to the hon. Member for Cardiff South and Penarth (Stephen Doughty), on a very serious note—he refers to solemn undertakings—is that Ministers must always expect to be held to account for whatever they have previously said or committed to do. There will absolutely, definitely be opportunities to question Ministers on these matters. Ministers will expect that, and if they did not, they will now.

Pete Wishart (Perth and North Perthshire) (SNP): Further to that point of order, Mr Speaker. There is great upset and annoyance in Scotland about this very issue. It seems to me that the Secretary of State for Scotland may have inadvertently misled the House on this matter. If he made a request, would there be an opportunity for him to come to the House to clarify his views and opinions, so that we could all be reassured and reach satisfaction on this issue?

Mr Speaker: It is always open to Ministers to offer to make statements, and it is always open to Members to seek to procure the attendance of a Minister in the Chamber to respond to questions that Members feel that they wish to put to the said Minister. Moreover, I think that it is reasonable gently to point out to the hon. Gentleman that there is a major Question Time session tomorrow, and he is always welcome to have a word with the right hon. Member for Ross, Skye and Lochaber (Ian Blackford), the leader of his party, so that these matters can be explored—[Interruption.] The hon. Gentleman chunters from a sedentary position that he has a question himself tomorrow. It is up to him on what subject he wishes to focus. We have exhausted this matter for now. I hope that that is helpful to colleagues.
Housing and Infrastructure: Chilterns

Motion made, and Question proposed, That this House do now adjourn.— (David Rutley.)

7.37 pm

Dame Cheryl Gillan (Chesham and Amersham) (Con): I am delighted to have secured this Adjournment debate today, as it will give me the opportunity to highlight some of the fears that have been expressed to me, and that I share, about the proposals for housing and infrastructure development in Buckinghamshire and its effect on the Chilterns area of outstanding natural beauty.

May I welcome the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Rossendale and Darwen (Jake Berry), to his place? I gather that he is going to respond to this half-hour Adjournment debate. If there are any matters on which he needs clarification, I hope that he will write to me afterwards following this brief debate.

I preface my remarks by saying that I am neither against building more homes nor against modernising our infrastructure, but our policies must be pursued without sacrificing the environment, countryside and wildlife, all of which are coming under increasing pressure, no more so than in the Chilterns. If Members will forgive the history lesson, the idea of areas of outstanding natural beauty was born in 1945. John Dower, in his role as Secretary of the Standing Committee on National Parks in England and Wales, determined what they would look like. He said that

“a National Park is an extensive area of beautiful and relatively wild country in which, for the nation's benefit and by appropriate national decision and action, (a) the characteristic landscape beauty is strictly preserved, (b) access and facilities for public open-air enjoyment are amply provided, (c) wildlife and buildings and places of architectural and historical interest are suitably protected, while (d) established farming use is effectively maintained.”

John Howell (Henley) (Con): Will my right hon. Friend give way?

Dame Cheryl Gillan: If I must this early on.

John Howell: I thank my right hon. Friend for graciously giving way. Will she comment on the Campaign to Protect Rural England’s position that AONBs should be used only for affordable housing? How does that fit into the rural set-up for AONBs?

Dame Cheryl Gillan: My hon. Friend will have to hold fire. I will come to such matters later in my speech, but I thank him for his intervention.

The report laid the foundations for the National Parks and Access to the Countryside Act 1949, under which protections for AONBs were set out. Subsequently, in 1965, the Chilterns were designated an AONB. I am delighted to see on the Treasury Bench two of my colleagues who, like you, Mr Speaker, are Buckinghamshire MPs. I hope that they will nod in agreement with some of the points I am going to make.

John Dower basically said that two most important aspects of AONB status are preservation and protection. Of the 46 UK AONBs, 34 are in England, covering approximately 15% of the country. If we wish to conserve and enhance these landscapes, we need continuous and co-ordinated action from successive Governments. We are incredibly fortunate in the UK to have such a collection of beautiful protected landscapes, and all AONBs should be protected for future generations to enjoy now and for posterity.

We will need AONBs more than ever as the population grows and urban areas expand, reducing our green spaces, particularly in proximity to concentrations of people in the south-east. The Chilterns, for example, already have 1.6 million people living within 8 km and 10 million within an hour’s drive. People will need these green islands in our increasingly densely populated country. Despite this, many of England’s AONBs are under growing pressure, particularly from housing development, with a leap in the number of units approved corresponding with the amount of land lost. In the Chilterns AONB, an average of 138 units a year were approved between 2012 and 2015. This number almost trebled to 386 during the shorter period of 2015 to 2017. That is a worrying trend.

Unlike national parks, which have their own independent planning authority, AONBs rely solely on their local authorities and planning inspectors for their protection, and the planning appeals process often results in local planners’ decisions being overturned. With housing and infrastructure pressure so severe in the south, can a protected landscape near London really no longer be protected to the same degree as landscapes elsewhere?

The Chiltern District Council area is around 70% AONB. It is producing a local plan jointly with South Bucks District Council, but they need to demonstrate that they will meet the target of 14,900 new dwellings by 2036, with sufficient land for employment and other accommodation. Under current Government proposals, the number of new dwellings could increase to 16,300. It is vital that housing numbers and locations are determined locally and not imposed top-down by central Government, as unfortunately seems increasingly to be the case under the proposed new objectively assessed housing need formula, which will dramatically increase the number of houses required in Buckinghamshire.

Adjacent, in Aylesbury Vale, we are seeing an enormous amount of housing development and the steady march on the green belt. In fairness, it has been accepted that Aylesbury, which is outside the AONB, is a good candidate for such development and it may absorb some of the housing requirement imposed on Chiltern and South Bucks, but Slough is also facing housing demands and is seeking to offset some of its housing into the South Buckinghamshire area, which would increase the squeeze on our fragile protected landscape.

There are some more factors to add to the mix. First—as will be eagerly anticipated by my colleagues and you, Mr Speaker— is HS2. I opposed HS2 being routed through the Chilterns AONB and have campaigned relentlessly for it to be, at best, abandoned or, at worst, tunnelled under the entire AONB. My right hon. Friend the Member for Aylesbury (Mr Lidington) is particularly affected by the fact that the tunnel stops prematurely, before the end of the AONB. Although I obtained two tunnel extensions, I think we were all disappointed when the decision was taken not to tunnel the entire AONB.
The precedent HS2 has set for other developments in AONBs, or for other designated landscapes in the country that are supposedly protected by law, is very worrying. Sadly, the problem may not stop at the railway, as HS2 has purchased property and land under the HS2 schemes, and I am concerned that as future Governments seek to offset the rising costs of this horrible project, this land will be used for further, as yet unplanned, development in the Chilterns AONB, bypassing and overruling local planning objections and opinions. In Buckinghamshire, we will also have one of the largest numbers of HS2 construction vehicle movements in the country. So far, 548,834 journeys have been estimated, which will have a severe impact on our roads and place financial pressure on our local councils and their resources, and their ability to protect our landscape.

I wish I could say that was the only major project on the horizon in the AONB, but on top of the pressure from HS2 and the national housing requirements, the recently published National Infrastructure Commission report on the Cambridge-Milton Keynes-Oxford arc further threatens the future of the Chilterns. The NIC's report offers a significant opportunity for economic growth, but the proposals include building 1 million new homes in the corridor by 2050, and could lead to 150,000 houses or more built in central Buckinghamshire in close proximity to the Chilterns AONB, with knock-on consequences. They also include a new rail link and an east-west expressway.

Economic growth naturally leads to additional housing. That is likely to be built mainly in Aylesbury Vale, but south Buckinghamshire will no doubt experience significant additional pressure for more housing. Already we have problems. One problem is that too many houses receive planning permission only for developers to sit on the permissions to maximise their profits. We should ensure that sites with permission are actually built, so that we really know where we are on house building locally. The focus is always on housing numbers, with much less weight being given to quality and place shaping, which should be given much greater emphasis. Chesham Renaissance Community Interest Company, for example, has produced an innovative local plan for Chesham to reinforce its historical centre and complement local economic needs without sacrificing the environment and landscape. The grassroots organisations across our county should be listened to.

I would also like the Government to commit to delivering the essential accompanying infrastructure with any development that comes following the NIC report. This must include funding, or funding mechanisms, for items such as local roads, parks, schools, doctors' surgeries, broadband, mobile coverage and so on, which will make new developments desirable places to live—but they will not be if the environment is substantially damaged.

The NIC defines the Oxford-Cambridge arc very tightly, but in reality growth in the area will have major impacts beyond and into adjoining areas such as south Buckinghamshire. The route of East West Rail is agreed through Buckinghamshire, although not through Bedfordshire, but the route of the proposed road expressway has not yet been identified, and is likely to impact on future housing and transport demand. New capacity on and off the expressway will be required, with knock-on congestion consequences for the Chilterns, together with potential major increases in traffic commuting into London. The economic growth in the corridor will also lead to increased demand for links to an expanded Heathrow and the M4 corridor, which in turn will lead to pressures for land to be released for development in these areas and for improvements to roads such as the A4010 through the AONB.

The proposal for 15,000 houses, with room to grow thereafter, is a major proposition that would completely transform Buckinghamshire. It is, in effect, a new city. Buckinghamshire has already accommodated the major new town of Milton Keynes, and we must not forget that Slough was once a Buckinghamshire town as well. Much of northern historical Bucks is now urbanised by Milton Keynes, and its growth to a population of “at least 500,000”, as proposed by the NIC, will increase that urbanisation. On our western border, Bicester is growing fast as a major new garden town. A new central Bucks city risks leading to the merging of urban areas between Bicester and Milton Keynes, which is also close to Luton. If it is anticipated to grow to be larger than Milton Keynes today, that will irrevocably change the nature of Buckinghamshire into a far more urban environment. Any proposal for a new city is likely to be strongly opposed, quite rightly, by local residents, whose recent experiences with HS2 have left an indelible mark.

There are further threats from the administrative structures in Buckinghamshire. I am leaving aside the problem of cross-departmental co-ordination, which those of us who have been or are still in government know is one of the most difficult things to manage. The NIC’s proposals are ambitious, but at a time when we face possible local government restructuring and have two overlapping local enterprise partnerships—the South East Midlands LEP and the Bucks Thames Valley LEP—the challenges the proposals present to the AONB and our area could be exacerbated.

There is no agreement on how the NIC’s proposals will be managed. Although there is general acceptance that Oxfordshire and Cambridgeshire will have their own growth boards, a SEMLEP group of district councils and unitary authorities have argued for a very large central bloc encompassing the whole of Buckinghamshire, Milton Keynes, Bedfordshire and Northamptonshire, plus their LEPs. I hope that the Department is not banking on such a grouping, thinking it would be simple to manage or is the answer.

Buckinghamshire County Council and the Bucks LEP have opposed the idea on the grounds that this area is far too large and heterogeneous. It would involve some 20 councils and organisations, and it is doubtful whether these would all agree when difficult decisions were required. If decisions were made on a majority vote basis, it could result in key decisions for our county being made without the support of any Bucks councils or the LEP, leading to a lack of legitimacy for important decisions and potential damage to our AONB. Buckinghamshire County Council has argued that a Bucks growth board would best reflect the specific needs of Bucks. I would like the Department to look seriously at this option, as it is likely to offer much better protection for the AONB and surrounding area.

Returning to the AONB, the national planning policy framework sets out that great weight should be given to conserving AONBs for their landscape and scenic beauty, and that major development should be refused except in
exceptional circumstances and where it is in the public interest. We have to ask what the terms, “great weight”, “exceptional circumstance” and “public interest” actually mean. They are open to interpretation and there is no uniformity between local authorities and, therefore, nationally. Any development in AONBs sets a precedent for more development, and faith in the protections given to our AONBs has waned. It needs to be reaffirmed and strengthened for every person in this country who wants their children to grow up with the guarantee that the wildlife and open spaces that we take for granted are truly protected.

The Chilterns AONB contains rare habitats, not least our chalk streams. The River Chess, which surfaces just north of Chesham, is a groundwater-fed chalk stream of precious environmental importance. The unique character of chalk streams means they provide a very rich habitat for wildlife, which makes the Chess an ideal habitat for several species listed in the Government’s UK biodiversity action plan, including the water vole, the grey heron and the kingfisher. Wildlife is dependent on the Chess, which, as part of the Colne catchment, is already designated both over-licensed and over-abstracted due to the high levels of water taken out of it, mostly for homes. This classification was given over a decade ago, when it was already considered problematic. It has dried up several times since then, and this is before the potential damage to the aquifer from HS2 tunnelling. I am concerned that, on top of this, the mass building of new homes in this area, all of which will of course need water, would not take account of an ecologically valuable river.

I welcome the Government’s announcement over the weekend about the plans to create a new northern corridor, and the Minister is the champion for the north. We will see 50 million trees planted over the next 25 years, but we should not let this distract us from the more pressing issue of our policy on preservation and protection for our existing irreplaceable landscapes. Some 700 ancient woodlands are under threat across the UK, and it is imperative that the Government use the upcoming review of the national planning policy framework to close the loophole in paragraph 118, which currently allows ancient woodland, even within AONBs, to be destroyed or damaged, and to give it the same protection as, for example, our built heritage.

I am honoured to be the president of the Bucks Campaign to Protect Rural England. It, too, would like increased protections in the NPPF review. It would like to see a clear presumption against proposals for large housing developments in AONBs, incorporation of the statutory duty of regard—that would ensure all planning authorities had regard to the purpose of the AONB—and publication of annual statistics on the rate of development and other change of land use in AONBs. Housing requirements could be adjusted to reflect the designated landscape in the area. I cannot emphasise enough the word “designated”, as the Chilterns AONB is nationally designated as worthy of protection and preservation, but we are in danger of making a mockery of John Downer’s original vision to ensure that we do not concrete over this green and pleasant land.

The multiplicity of proposals and changes that now hang over the Chilterns need to be co-ordinated. I mentioned earlier the problems with cross-departmental operations, and when preparing for this debate I have had input from our district and county councils, the Chiltern Conservative Board, the Chiltern Society, the River Chess Association, Bucks Campaign to Protect Rural England, the local wildlife trust, the Woodland Trust and many others who reflect the wide interest and concern for our area. So many Departments of State will also be involved in a development of this kind, and it must be co-ordinated at the highest possible level to ensure the minimum damage.

I hope that the Minister has some optimistic words and proposals for me when he responds to this debate. The Chilterns AONB lies at the heart of an area that, if this Government fail adequately to protect it from development, will result in this country losing one of its environmental jewels and this beautiful landscape will become a concrete jungle.

7.55 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): I start by congratulating my distinguished right hon. Friend the Member for Chesham and Amersham (Dame Cheryl Gillan) on securing an important debate for her constituents and the area of Chesham and Amersham. I see that only last June she was channelling Queen Elizabeth I when she said:

“HS2 will be written on my heart...when I leave this world.”—[Official Report, 22 June 2017; Vol. 626, c. 241.]

However, unlike Queen Elizabeth I, who went on to lose Calais, my right hon. Friend will surely see a more favourable outcome for her priorities, and I pay tribute to her. Throughout my time in this House I have seen her campaign on these very important issues on behalf of her constituents. There is clearly a significant amount of change happening in the area, around the Oxford-Cambridge corridor—housing growth, High Speed 2 and local government reform. I have noted the points my right hon. Friend has so ably made. Let me deal with some of them now. I will begin with a few words about areas of outstanding natural beauty, the green belt and ancient woodlands.

Areas of outstanding natural beauty have the highest status of environmental protection in the national planning policy framework, which states:

“Great weight should be given to conserving landscape and scenic beauty”.

In the year to March 2016, only 0.2 per cent of the Chilterns AONB was given to residential buildings. I can confirm that the Government are committed to retaining this protection, and it will not be weakened through our planning reforms. The interpretation of the NPPF protection for AONBs is in the first instance for the local authority to determine and thereafter, if relevant, for the planning inspector.

Further to that, in line with our manifesto commitment, the Government will also maintain strong protections for our green belt. Our national planning policy framework makes it clear that most new building is inappropriate in a green belt and should be refused planning permission except in very special circumstances. Only in exceptional circumstances may local authorities alter a green-belt boundary, after consulting local people and submitting a revised local plan.
We made a manifesto commitment to strengthen the protection of ancient woodland—a hugely important, irreplaceable national resource. We are working on a plan to deliver on that commitment, and I know that my right hon. Friend, not least in her role as president of her local branch of the Campaign to Protect Rural England, will continue to press the Government to make sure that we deliver on it.

I know that HS2 has been of great concern to my right hon. Friend. I am consistent in my approach to it. I would like to reassure her that HS2 Ltd and its contractors are taking extensive action to mitigate the impacts of the scheme on the area of outstanding natural beauty. HS2 Ltd. and its contractors continue to engage extensively with communities in the area of outstanding natural beauty to ensure that the concerns of those affected are heard.

Besides HS2, a number of proposals could have an impact on my right hon. Friend’s constituency, from possible allocations of land for housing to local government restructuring. Regarding concerns that Slough’s local housing need surplus will be met by Buckinghamshire, the revised approach does not significantly alter the area’s assessment of need, which will have to be addressed through its own local plan, which should be locally determined. Slough will have to exhaust all opportunities to meet its own housing need in the first instance before approaching any other local authority. Then, if it can demonstrate that it has exhausted its own opportunities, it will need to agree to work collaboratively to produce a statement of common ground. None of those processes will in any way change the protection for the AONB.

The additional development that the Oxford-Cambridge corridor will bring is an exciting opportunity for the area. My hon. Friend the Member for Milton Keynes South (Iain Stewart) was recently appointed a champion for this ambitious project, and will work with local partners to deliver it. I can confirm that we are working with all partners, and above all, across the Government, to ensure that a joined-up approach is taken to this development.

On local government restructuring, my right hon. Friend raised a point about the sustainability of the local council. I note there is a general consensus that the status quo is no longer an option. My right hon. Friend the Secretary of State for Housing, Communities and Social Care—all those Departments that feed into the revised approach does not significantly alter the area’s assessment of need, which will have to be addressed through its own local plan, which should be locally determined. Slough will have to exhaust all opportunities to meet its own housing need in the first instance before approaching any other local authority. Then, if it can demonstrate that it has exhausted its own opportunities, it will need to agree to work collaboratively to produce a statement of common ground. None of those processes will in any way change the protection for the AONB.

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On local government restructuring, my right hon. Friend raised a point about the sustainability of the local council. I note there is a general consensus that the status quo is no longer an option. My right hon. Friend the Secretary of State for Housing, Communities and Local Government will continue to engage with her and her colleagues on this issue.

**Dame Cheryl Gillan:** I thought I heard my hon. Friend saying that there is an acceptance that the status quo is not one of the options. I understood that the status quo was one of the options that was being considered by the Secretary of State.

**Jake Berry:** I think what I said was there is consensus around the fact that the status quo is not an option—

**Dame Cheryl Gillan** indicated dissent.

**Jake Berry:** My right hon. Friend has shown that consensus does not necessarily exist. I will take her comments on board and pass them on to my right hon. Friend the Secretary of State and make sure he is aware of her views. I thank her for bringing all the points in this very important debate to the attention of the House, and particularly to me and my Department, but I repeat that we will maintain strong protections for areas of outstanding natural beauty in our national policy, because of course no area of our country could represent outstanding natural beauty like my right hon. Friend’s constituency. The Government have a bold and ambitious agenda to build a lot more homes, with necessary infrastructure to help support jobs and prosperity, and that should not be at the cost of the environment.

**Dame Cheryl Gillan:** I am sorry to press the Minister, who I understand is fresh to this particular brief, but I wonder whether he could help me. One of the things that is concerning us greatly in Buckinghamshire is that if the NIC proposals go ahead, an amazing amount of co-ordination will need to be carried out between his own Department, the Department for Transport, the Department for Education and the Department of Health and Social Care—all those Departments that feed into something which is going to be, as I described it, a potential extra city. How does he envisage that being drawn together? Will the role of my hon. Friend the Member for Milton Keynes South (Iain Stewart) in his new appointment be to co-ordinate Departments? If the Minister cannot answer that question at the moment, would he take that away and write to me about how the Government envisage really bringing this whole project together?

**Jake Berry:** My right hon. Friend correctly says that our hon. Friend the Member for Milton Keynes South is being put into that role as champion for the Ox-Cam corridor to co-ordinate Government action across Departments and, most specifically, to work with local authorities to ensure that they take a co-ordinated approach to the proposed long-term development plan. In a very astute way, she identifies the real challenge the Government face with these large development plans driving economic development forward. It is imperative that we ensure that all Departments—Health, Education, Transport and the other Departments she mentions—work together to ameliorate, to some extent, the impact of such development in those areas. I will happily write to my right hon. Friend following this debate to set out in more detail our plans to do so. I will also happily meet her and representatives of her local authority to talk about these issues in greater detail, if that could be of assistance.

The Government have made a pledge that we will be the first generation to leave the natural environment in a better state than we inherited it. We are also committed to keeping the safe and attractive landscape of our countryside for future generations to enjoy. As someone who recently became a father—my son is now 10 months old—I do not think that there could be a more important issue for us all to campaign on in this House to ensure that the environment we pass on to our children and their children is one that we can all be proud of and continue to enjoy.

**Question put and agreed to.**

8.5 pm

*House adjourned.*
Mr Liddington: The responsibility of the Cabinet Office lies in reimbursing local authority returning officers for the costs incurred in the administration of national elections. The responsibility lies with local authorities for the costs arising out of local elections. Local authority resources will be more than £200 billion over the current spending review period, including real-terms increases for both 2018-19 and 2019-20.

Michael Fabricant (Lichfield) (Con): May I be the first Member also from the 1992 intake to offer my right hon. Friend congratulations on his latest appointment? Is he aware of the landmark ruling of the Supreme Court of the United States, which has said that the boundary changes in North Carolina are unconstitutional and gerrymandering? Will he join me in praising the work of the boundary commissions—despite their appalling recommendations for Lichfield—for at least being transparent, quasi-judicial and non-partisan?

Mr Liddington: It has always been an accepted strength of our constitutional arrangements that we have a parliamentary boundary commission for each part of the United Kingdom that is wholly independent of party politics and party influence. I hope, therefore, that all parties in this House will rally behind the recommendations of the parliamentary boundary commissions.

Cat Smith (Lancaster and Fleetwood) (Lab): On behalf of Opposition Front Benchers, I welcome the Minister to his new role.

The chair of the Electoral Commission has warned that our electoral system is facing a "perfect storm" due to funding pressures, and 43% of local authority election teams have experienced real-terms cuts since 2010. Will the Minister outline why the Government’s democratic engagement plan fails to address these concerns, and will he ensure that a full and comprehensive review of the delivery and funding of electoral services is implemented as a matter of urgency?

Mr Liddington: I thank the hon. Lady for welcoming me to my new responsibilities. I repeat to her what I said in my initial response: the Electoral Commission concluded that, although there were problems in a number of specified constituencies, overall the 2017 general election was successfully delivered. The Government are committed to strengthening our electoral processes. As part of that, we are planning to run pilot schemes in a number of local authorities later this year to test requirements for voters to present ID before voting. We will look seriously at recommendations to us from the Electoral Commission on these matters.

Electoral Registration Process

2. Andrew Bridgen (North West Leicestershire) (Con): What steps the Government are taking to maintain the security and integrity of the electoral registration process.

The Parliamentary Secretary, Cabinet Office (Chloe Smith): Every application to the electoral register is now subject to identity verification checks, making our system more secure than before. In late December, the Government laid draft legislation aimed at further
improving the registration process, including addressing recommendations from the Pickles review of electoral fraud.

Andrew Bridgen: Last month, a 21-year-old man was convicted of voting twice—first by post, and then by varying his name and voting in person. He then bragged about it on Twitter. I understand that more than 1,000 similar complaints are being dealt with by the Electoral Commission, mostly relating to students. What steps are the Government taking to deal with this distortion of our democracy?

Chloe Smith: I share my hon. Friend’s concerns and am glad that he has brought those examples to light. I understand that, following the examination of these reports—or perhaps of reports other than those to which he refers—the Electoral Commission has stated that there is “a lack of evidence of widespread abuse.”

None the less, we will continue to work with the police and the Electoral Commission to reduce the risk of double voting.

Mr Gregory Campbell (East Londonderry) (DUP): I welcome the hon. Lady to her position. Does she agree that the electoral process, particularly in Northern Ireland, was severely corrupted some eight months ago by thousands upon thousands of proxy vote applications? The previous Member for Foyle, Mr Mark Durkan, lost his seat as a result of thousands of proxy vote applications that were approved without any electoral or photographic identification.

Chloe Smith: I struggled to hear the hon. Gentleman owing to some noises off. As he knows, and as he knows I know, the electoral system in Northern Ireland is devolved. I am sure that my new ministerial colleagues at the Northern Ireland Office will be taking his concerns very seriously and working with the devolved Administration, where appropriate, to look into them.

Dame Cheryl Gillan (Chesham and Amersham) (Con): I, too, welcome the Front Benchers to their new responsibilities. I am delighted to see the strong team in the Cabinet Office.

Is the Minister giving any consideration to restricting registration for national elections to one address, which may help with the problem of double voting raised by my hon. Friend the Member for North West Leicestershire (Andrew Bridgen)?

Chloe Smith: I thank my right hon. Friend for her views. I refer to the breadth of the Pickles review of electoral fraud, which gave us the basis for a number of reforms of our electoral system, all designed to reduce fraud and improve security. In that context, I will look carefully at all its recommendations. As you will know, Mr Speaker, the Government have already accepted and will be moving forward with a number of them. I would be delighted to discuss any issue further with my right hon. Friend.

Chris Elmore (Ogmore) (Lab): One of the ways in which the Government could look to give more security to the electoral register is by moving to automatic registration when national insurance numbers are given out. Will the Minister comment on the private Member’s Bill introduced by my hon. Friend the Member for Cardiff Central (Jo Stevens), which would resolve any issues with individual registrations?

Chloe Smith: I am very well aware of the arguments, although I confess that at this point, 24 hours into my role, I have not yet had a chance to study that particular private Member’s Bill. I shall be happy to do that and take up the conversation from that point.

Tommy Sheppard (Edinburgh East) (SNP): May I, too, welcome the Minister to her post? She is the fourth I have had the privilege of facing in the past two years.

The biggest threat to the integrity of the electoral registration process is the fact that millions of our citizens are not on the electoral register. All the Minister’s predecessors promised that they would bring forward proposals to address this problem. We were told that there would be a plan at Easter last year, then in the summer, then in December, but still nothing. When will she bring forward proposals to make sure that we can increase the number of people on the register?

Chloe Smith: The hon. Gentleman will know that in fact we have near-record levels of participation in our democracy. Voter turnout has risen. The completeness and accuracy of the electoral register have improved. There have been 30 million new registrations to vote since the introduction of IER—individual electoral registration—in 2014. Seventy-five per cent. of those used the “Register to vote” website, which I am sure he will agree is an important reform. The electoral register for the 2017 general election reached a record level of over 46 million electors. I do not agree with his assessment.

Government Contracts: SMEs

3. Nigel Mills (Amber Valley) (Con): What steps the Government are taking to ensure that small and medium-sized enterprises can access opportunities to secure Government contracts.

Mr Speaker: I call Minister Oliver Dowden.

Hon. Members: Hear, hear!

The Parliamentary Secretary, Cabinet Office (Oliver Dowden): Thank you, Mr Speaker, and hon. Members for that very warm welcome.

Small businesses are the backbone of our economy, and this Government are committed to supporting them in securing Government contracts. To that end, we have already streamlined our procurement processes to assist small businesses. Our small business panel is working to improve accessibility of Government contracts, and we continue to focus on breaking down the barriers that might deter SMEs.

Nigel Mills: I thank the Minister for that answer and welcome him to his position. He will know that many small businesses are put off trying to get contracts by the amount of information they need to supply and the bureaucracy they have to go through. What more can the Government do to reduce that bureaucracy and amount of information?
Oliver Dowden: My hon. Friend raises a very important point. It really is vital that small businesses can access Government contracts as simply as possible, so to achieve this we have already taken action to ensure that bidding processes are simplified across the public sector, with complex pre-qualification questionnaires abolished for low-value contracts. We will continue to look at ways to reduce burdens for business, particularly small businesses.

Derek Twigg (Halton) (Lab): Given what the Minister has said, what information does he have that there has actually been an increase in the number of small and medium-sized businesses accessing Government contracts?

Oliver Dowden: I would point to three pieces of information: direct spend with SMEs is up 80% since the Conservatives came to power in the coalition in 2010; more small businesses than ever are bidding for Government business; and the Government now spend about £5.6 billion directly with SMEs.

Sir Oliver Heald (North East Hertfordshire) (Con): As a fellow Hertfordshire MP, may I congratulate my hon. Friend on his well-deserved new role? Does he agree that it may be possible for prime contractors with Government contracts to do more to bring in small and medium-sized businesses, particularly in specialist areas, where Hertfordshire is of course so strong?

Oliver Dowden: I thank my right hon. and learned Hertfordshire Friend for his welcome. He raises an important point. There are two aspects of this: there is the direct spend—as I have said, it is about £5.6 billion—but we also need to ensure that we get spend into contracts lower down, with people who have Government contracts then spending with small businesses, which is something we are committed to doing as a Government.

Jon Trickett (Hemsworth) (Lab): Too often, rather than outsourcing to SMEs, very large companies are employed. In this respect, despite being under investigation by the Financial Conduct Authority and reportedly having debts of £1.5 billion, the massive outsourcing company Carillion remains a major supplier in terms of Government procurement. If it were to collapse, it would risk massive damage to a range of public services. Do the Government have a contingency plan for such an eventuality, and what is the likely cost to the taxpayer?

Oliver Dowden: As the hon. Gentleman would expect, we of course make contingency plans for all eventualities. If I could briefly update the House, Carillion, as Members will know, is a major supplier to the Government, with a number of long-term contracts. We are committed to maintaining a healthy supplier market and working closely with our key suppliers. I can tell the House that Carillion’s operational performance has continued to be positive. For example, it advanced its work on Crossrail over the Christmas period.

Jon Trickett: The truth is that the Minister has failed to answer the central question. The Government have been outsourcing public services to large outsourcing companies on an industrial scale. When these massive outsourcing companies fail, as too often they do, does the Minister really think it is fair that the costs stay with the taxpayer, while the profits are creamed off by the shareholders?

Oliver Dowden: I do not think there is anything wrong with profit. Profit is a reward for investment made by businesses. Perhaps if the hon. Gentleman had listened to my answer, he would not have had to read a pre-scripted question. I gently suggest to him that this is something the Government take very seriously. We, for the first time, as a Government—this had not been done for 13 years previously—started measuring the number of small and medium-sized enterprises that have Government contracts. We set a target of 25% in the last Parliament, and we have delivered on that, so I think that is a record of success for this Government.

Democratic Processes: Foreign Influence

4. Jeff Smith (Manchester, Withington) (Lab): What steps he is taking to ensure that democratic processes are protected against foreign influence.

The Parliamentary Secretary, Cabinet Office (Chloe Smith): The first duty of the Government is of course to safeguard the nation, and we take the security and integrity of our democratic processes very seriously. Although we have not seen evidence of successful foreign interference, we are not complacent, and we will continue to do what is necessary to protect ourselves.

Jeff Smith: In order to protect ourselves, the chair of the Electoral Commission has said that we need new rules for online political advertising to combat external influence, particularly via Facebook and Twitter. When will the Government bring forward the legislation we need?

Chloe Smith: One of the very first things for me to do in my new role is to meet the Electoral Commission, and I look forward to discussing that with it.

Tom Brake (Carshalton and Wallington) (LD): I welcome the new Minister. Does she agree that one of the ways of reducing foreign influence in our democratic processes would be for Members of this House not to go on Russia Today and Sputnik, and indeed be paid money for doing so?

Chloe Smith: Hearing from the right hon. Gentleman reminds me of the heady days during the coalition Government when we served in and around the Cabinet Office together. His question reminds us that there are hon. Members who seem to feel the need to do as he says. I think it would be more helpful if we recalled the words of the Prime Minister in her Mansion House speech, which were that we should be well aware of what Russia seeks to do and should seek to protect to the UK from it.

Electoral Registration: Disabled People

5. Jim Shannon (Strangford) (DUP): What steps the Government are taking to support people with disabilities to access the electoral registration process.
8. Damien Moore (Southport) (Con): What steps the Government are taking to support people with disabilities to access the electoral registration process.

The Parliamentary Secretary, Cabinet Office (Chloe Smith): The Government are considering the responses to our call for evidence on the accessibility of the voter registration system. We have recently released the Government’s plan for democratic engagement, which includes strategies for disabled electors. The Government have also implemented the findings of an accessibility review of the website “Register to vote”.

Jim Shannon: For those who are disabled physically and visually who want to carry out a normal role in voting like the rest of us, will the Minister confirm that those who have disabilities and are in wheelchairs can gain access to polling stations and that ballot papers in Braille are available for those who are visually disabled?

Chloe Smith: Notwithstanding the caveat that in Northern Ireland the system is devolved and in some ways different from that in Great Britain, we certainly should not regard people with disabilities as in some way restricted in using the voting system in one way or another. Polling stations are equipped with, for example, tactile voting devices. More broadly, there are arguments around whether Braille brings some opportunity to identify a voter, but I very much welcome the hon. Gentleman’s question and would look forward to any further conversation he would like to have.

Damien Moore: I welcome my hon. Friend to her new role. In my constituency of Southport, three excellent schools specialise in teaching children with autism as well as behavioural and learning disabilities. Does she agree that encouraging children with those conditions to learn about our political structure will make them more likely to engage with the electoral systems as adults?

Chloe Smith: I agree with my hon. Friend and I am glad he has raised those points. My predecessor in this role, my hon. Friend the Member for Kingswood (Chris Skidmore), did excellent work in the Every Voice Matters project where he focused on this as a matter of social justice. Of course, the citizen—any citizen—should be at the heart of voting and able cast their vote as a matter of public service.

Government Procurement: Small Businesses

6. Bill Esterson (Sefton Central) (Lab): What recent assessment he has made of the level of Government procurement from small businesses.

The Parliamentary Secretary, Cabinet Office (Oliver Dowden): In November 2017, we published the 2015-16 figures for central Government Departments. The Government are fully committed to supporting our small businesses, which are the engine room of our economy, so we are continuing to take action to meet our target of a third of procurement being with small businesses by 2022.

Mr Speaker: It is good to see the Minister looking in a state of high excitement, as well he might.

Bill Esterson: Those 2015-16 figures show procurement to small and medium-sized enterprises to be falling, from 27% to 24%. The majority goes through indirect procurement, so is not the truth that wholesale changes are needed in a Government procurement system that just delivers crumbs from the table of large contractors to SMEs?

Oliver Dowden: The hon. Gentleman is right to highlight the fact that this is a challenging target, but, as I said previously, we set a challenging target in 2010 and we met it by the end of the Parliament. I am confident that we will meet our target again. In particular, we will be taking further measures in relation to SMEs. We will use transparency to encourage large businesses to employ more SMEs and make prompt payment part of the selection process for larger suppliers, which is the point that he raised. I can tell the House that we will be bringing forward proposals on that very shortly.

Social Mobility

7. Jo Platt (Leigh) (Lab/Co-op): What steps his Department has taken to co-ordinate the Government’s work on social mobility.

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr David Lidington): The Cabinet Office is responsible for co-ordinating action to increase socioeconomic diversity in the civil service. We are delivering on all recommendations made by the Bridge Group in its 2016 report.

Jo Platt: The recent Social Mobility Commission report found that the worst-performing areas on social mobility are no longer inner-city areas but remote, rural and coastal areas and former industrial areas. What steps will the Government take to redress the funding imbalance that the north faces and to tackle social mobility issues in post-industrial towns such as Leigh?

Mr Lidington: The Social Mobility Commission report identified action on education, housing and employment as the key steps needing to be taken, and those are the exactly the things to which the Prime Minister and the Government are giving priority. For example, we have 1.9 million more children in good or outstanding schools than we did in 2010.

Mr Speaker: I am absolutely delighted to see that the right hon. Member for Bexleyheath and Crayford (David Evennett) has been promoted from the Whips Office and can now speak.

David Evennett (Bexleyheath and Crayford) (Con): Thank you, Mr Speaker.

Does my right hon. Friend agree that social mobility is essential to maximise the potential of individuals and our country, and that while the Government have achieved a great deal so far, there is still more to be done?

Mr Lidington: I completely agree with my right hon. Friend. The Government look forward to delivering in full on the social mobility action plan for education that my right hon. Friend the Member for Putney (Justine Greening) announced just before Christmas.
Cyber-security: Public and Private Sector Organisations

9. Fiona Bruce (Congleton) (Con): What discussions he has had with Cabinet colleagues on ensuring the cyber-security of public and private sector organisations.

Mr Lidington: The National Cyber Security Centre gives direct help and advice to public sector organisations and also offers private sector organisations advice, guidance and help in responding to attacks. I encourage all to use its services.

Mr Speaker: Order. Let us have a bit of order at Topical Questions.

Topical Questions

T1. [903201] Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

Mr Lidington: I intend to continue the work of the Cabinet Office to deliver its purpose: to maintain the integrity of the Union of the United Kingdom, to co-ordinate the security of the realm, to sustain a flourishing democracy, to ensure the delivery of the finest public services, and to help to implement the Government's policies and the Prime Minister's priorities.

Lloyd Russell-Moyle: The Government have withheld a dozen documents relating to the Government's European policy in the early 1990s. What are they trying to hide? What embarrassment is the Tory party trying to cover up? Will the Minister release those documents?

Mr Lidington: I am happy to look at the particular case, if the hon. Gentleman would like to write to me, but I can assure him that documents are not withheld lightly. Sometimes individuals are named, or documents contain information that is still diplomatically sensitive.

Mr Speaker: Order. Let us have a bit of order for a Dorset knight. Sir Robert Syms.

T2. [903202] Sir Robert Syms (Poole) (Con): One of the Minister's new responsibilities is the important negotiations with the devolved Assemblies and Parliament. When will my right hon. Friend undertake meetings for those important discussions on the future of our country?

Mr Lidington: It is true that the Prime Minister has asked me to continue with my predecessor's responsibilities of overall supervision of intergovernmental relations within the United Kingdom. I spoke yesterday evening to the Deputy First Minister of Scotland and the First Minister of Wales and assured them that I hope to visit both Scotland and Wales in the near future. I hope also to visit Northern Ireland.

T3. [903203] Liz McInnes (Heywood and Middleton) (Lab): Earlier, the Minister remarked that the 2017 snap election had been well run, but following that election the Association of Electoral Administrators felt the need to provide its members with a free counselling service. What action will the Government take to address the significant staffing pressures and unsustainable workloads experienced by our election staff?

Mr Lidington: One of the challenges facing electoral staff this year was an unprecedented number of people taking advantage of the opportunity to register online, and administrators had to sort out duplicate registrations. We are looking at the lessons to be learned from that, but we should not fail to acknowledge the fact that online registration has made it easier for people to register and has been a great boon to many of our citizens.

T5. [903205] James Duddridge (Rochford and Southend East) (Con): With over 25% of overseas development money being spent outside the Department for International Development, is there a role for the Cabinet Office in encouraging more cross-departmental spend and better reporting across all Departments?

Mr Lidington: My hon. Friend, with his expert knowledge of Africa, makes an important point. The national security adviser based in the Cabinet Office is responsible for roughly £3.2 billion of cross-departmental overseas development aid spending. I look forward to discussing with him how that money can best be spent and will certainly take account of my hon. Friend's views.

T4. [903204] Vicky Foxcroft (Lewisham, Deptford) (Lab): Lewisham has over 2,000 residents in temporary accommodation, and three quarters of those who have contacted me are not on the electoral register. I am not happy with this. Are the Government? If not, what will they do about it?

Mr Lidington: Despite the success of online registration, we accept that there is more to do. It is important that we encourage all our citizens to take advantage of their democratic right to cast a vote, both locally and nationally.
priority for me. We have asked the Lord Chief Justice to
nominate a judge to chair the inquiry, and I hope to
announce the name of that judge soon.

Mr Lidington: We are implementing in full the
recommendations in the report to which I alluded earlier
and are encouraging all Departments to step up their
work in making sure they recruit people and seek to
recruit people from groups in society that have been
tarter to reach than others in the past. It is important
that that work continues. The Prime Minister's commit-
tment to the racial disparity audit, which in 13 years of Labour
Government we never saw from the party opposite, is
an indication of the Government’s seriousness of purpose
on this point.

Paul Masterton (East Renfrewshire) (Con): The Minister
will be aware that personal assurances were given to me
and colleagues that the Government would bring forward
amendments to clause 11 of the repeal Bill, but they
have failed to do so. Will he assure me that the Government
remain committed to working with the devolved
Administrations to find a form of words that will be
agreed and will allow a legislative consent motion to be
passed?

Mr Lidington: I can certainly give my hon. Friend
that commitment. When I spoke to the Deputy First
Minister of Scotland last night, I said that we were
disappointed that we had not been able to reach agreement
with the devolved Administrations on an acceptable
form of words for such an amendment but that I was
committed to intensifying our discussions with the devolved
Administrations to seek to reach an agreed form of
words in time for proceedings in the House of Lords.

T6. [903207] Joan Ryan (Enfield North) (Lab): After
the Prime Minister’s painful and protracted reshuffle
clearly failed to ensure that the Cabinet reflected diverse
and modern Britain, what steps is the Minister taking
to increase diversity in the civil service?

The Prime Minister was asked—

Engagements

Q1. [903171] Mike Amesbury (Weaver Vale) (Lab): If
she will list her official engagements for Wednesday
10 January.

The Prime Minister (Mrs Theresa May): I hope that it
is not too late to wish all Members and staff in the
House a very happy new year.

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

Mike Amesbury: I, too, wish members of staff a
happy new year.

At least 1.4 million households across the UK have
been victims of unfair practices in the leasehold market,
including my constituent Emily Martin. In advance of
any intended legislation, what commitment will the
Prime Minister make to ensure that Emily and thousands
of people tied into this PPI-like scandal are compensated
by developers now?

The Prime Minister: We are concerned when we hear
of unfair practices taking place. I am sure that the
Housing Minister will be happy to hear of this particular
case as an example. We are looking to see what action
the Government can take to ensure that people are
secure in their homes and are not subject to practices
that they should not be subject to.

Q3. [903173] James Cleverly (Brantree) (Con): In
December, when the Brexit Secretary met Michel Barnier,
they hugged. In that spirit, would my right hon. Friend
the Prime Minister passionately embrace—not me,
Mr Speaker; don’t worry—the agenda that she set out
last year to build a Britain fit for the future, encourage
home ownership, improve education, health and life
chances, and leave this country in a better place than we
found it?

The Prime Minister: My hon. Friend talks about
passionate embraces; I do not think that he has ever
had the kiss that he once asked for. He is absolutely
right: we are determined to deliver a Britain that is fit
for the future. That means that we need to get Brexit
right and do a lot more. He references house building;
yes, we are committed to building the homes that this
country needs. That is why we have made £15 billion of new financial support available over the next five years, and why we scrapped stamp duty for 80% of first-time buyers. We are also improving school standards—there are 1.9 million more children in good or outstanding schools today—and we are protecting our natural environment. We are building a Britain that can look to the future with optimism and hope.

Jeremy Corbyn (Islington North) (Lab): Mr Speaker, may I wish you, all the House and all our staff a very happy new year? [HON. MEMBERS: “Hear, hear.”] Everybody is agreed? Yes? Thank you. I know it seems a long time ago, but just before Christmas, I asked the Prime Minister about the 12,000 people left waiting more than half an hour in the back of ambulances at A&E departments. She told the House that the NHS was better prepared for winter “than ever before.” What words of comfort does she have for the 17,000 patients who waited in the back of ambulances in the last week of December? Is it that nothing is perfect, by any chance?

The Prime Minister: I fully accept that the NHS is under pressure over winter. It is regularly under pressure at winter time. I have been very clear: I apologised to those people who have had their operations delayed and to those people who have had their admission to hospital delayed, but it is indeed the case that the NHS was better prepared this winter than ever before. [ Interruption. ] Yes, it might be helpful if I let the House know some of the things that were done to ensure that preparedness. More people than ever before are having flu vaccines, and 2,700 more acute beds have been made available since November. For the first time ever, urgent GP appointments have been available across the Christmas period across this country, and more doctors are specialising in treating the elderly in accident and emergency.

The right hon. Gentleman mentioned the last exchange we had in this House. In our last exchange, he said that mental health budgets have been cut; that is not right. Simon Stevens from the national health service has made it clear that mental health spending has gone up both in real terms and as a proportion of the overall spending. So will the right hon. Gentleman now apologise for what he previously said?

Jeremy Corbyn: The Prime Minister knows full well that child and adolescent mental health services budgets have been raided and many people who need help are not getting that help. We saw on “ITV News” the other night that nurses are spending their entire shift treating people in car parks because of backed-up ambulances. We know the Prime Minister recognises there is a crisis in our NHS because she wanted to sack the Health Secretary last week but was too weak to do it, and if the NHS is so well resourced and so well prepared, why was the decision taken last week to cancel the operations of 55,000 patients during the month of January?

The Prime Minister: I say to the right hon. Gentleman—[ Interruption. ] Members on the Labour Front Bench say “Apologise”; if they had listened to the answer I gave their right hon. Friend the Leader of the Opposition, they would have heard me make it clear that I have already apologised to those whose operations have been delayed, and we will make sure they are reinstated as soon as possible. We are putting record funding into the NHS and record funding into mental health, but the right hon. Gentleman keeps on about the preparations for the NHS and I was very pleased last week to be able to go and say in person a thank you to staff at Frimley health trust from both Frimley Park and Wexham Park hospitals for the work they have been doing to deliver for patients across this period of particular pressure across the winter. Our NHS staff—not just doctors and nurses, but support staff such as radiographers, administrative staff, porters: everybody working in our national health service—do a fantastic job day in and day out, and they particularly do that when we have these winter pressures. In terms of being prepared, this is what NHS Providers said only last week:

“Preparations for winter in the NHS have been more extensive and meticulous than ever before.”

Jeremy Corbyn: We all thank all NHS staff for what they do, but the reality is that the 55,000 cancelled operations mean that those 55,000 people join the 4 million already waiting for operations within the NHS.

Perhaps the Prime Minister could listen to the experience of Vicki. Her 82-year-old mother spent 13 hours on a trolley in a corridor, on top of the three hours between her first calling 999 and arriving at hospital. Vicki says:

“A volunteer first responder from Warwickshire heart service whose day job is in the Army kept mum safe until paramedics arrived.”

Her mother had suffered a heart attack just a week before. This is not an isolated case. Does the Prime Minister really believe the NHS is better prepared than ever for the crisis it is now going through?

The Prime Minister: Nobody wants to hear of people having to experience what Vicki and her mother experienced. Of course we need to ensure that we learn from these incidents, and that is exactly what we do in the national health service. I am very happy to ensure that that particular case is looked at, if the right hon. Gentleman would like to provide me with the details. But week in and week out in the run-up to Christmas, and now today, he has been giving the impression of a national health service that is failing everybody who uses it. The reality in our NHS is that we are seeing 2.9 million more people going to accident and emergency, and over 2 million more operations taking place each year. Our national health service is something that we should be proud of. It is a first-class national health service that has been identified as the No. 1 health system in the world. That means that it is a better health system than those of Australia, the Netherlands, New Zealand, Canada, Switzerland, Sweden, France, Germany and the United States of America.

Jeremy Corbyn: We on this side of the House are all very proud of the principle of the national health service—healthcare as a human right—but the reality is that, in the past year, 565,000 people have spent time on trolleys when they should have been being treated. The number of elderly people being rushed into A&E from care homes has risen by 62% since the Tories took power, and Care Quality Commission figures suggest that nearly a quarter of care homes need improvement. This is not only robbing older people of their dignity, but putting pressure on A&Es and ambulance services.
So why, instead of dealing with the social care crisis, has the Prime Minister rewarded the Health Secretary with a promotion and a new job title?

**The Prime Minister:** There are many voices across the House, including from the right hon. Gentleman’s party, who have been encouraging me to ensure that we have better integration between health and social care. I am pleased that we have recognised this by making the Department of Health now the Department of Health and Social Care. That has been recognised by Age UK, which has said that this is a “welcome and long overdue recognition of the interdependence of health and social care”.

I saw for myself last week at Frimley Park the good work that is being done by some hospitals up and down the country, working with GPs, care homes and the voluntary sector, to ensure that elderly people can stay at home safely and do not need to go into hospital, with all the consequences of them coming into hospital beds. That is the way forward, and we want to ensure that we see the integration of health and social care at grassroots level. From the way in which the right hon. Gentleman talks, you would think that the Labour party had all the solutions for the national health service—[ Interruption. ]

**Mr Speaker:** Order.

**The Prime Minister:** If the Labour party has all the answers, why is funding being cut and why are targets not being met in Wales, where Labour is responsible?

**Jeremy Corbyn:** The Prime Minister leads a Government who are responsible for the funding of national Governments, such as the one in Wales, and she knows full well what has been cut from Wales. She is also directly responsible for the NHS in England, and giving the Health Secretary a new job title will not hide the fact that £6 billion has been cut from social care under the Tories. Part of the problem with our NHS is that its funds are increasingly being siphoned off into private companies, including in the Health Secretary’s area of Surrey—[ Interruption. ]

**Mr Speaker:** Order. Mr. Shelbrooke, calm yourself, man! You are supposed to be auditioning to become an elder statesman, but on present evidence, there will be many more auditions to come. Calm yourself; it will be good for your health.

**Jeremy Corbyn:** Even more money is being siphoned out of our NHS budgets into private health companies. In the Health Secretary’s area of Surrey, a clinical commissioning group was even forced to pay money to Virgin Care because that company did not win a contract. Will the Prime Minister assure patients that, in 2018, less NHS money intended for patient care will be feathering the nests of shareholders in private health companies?

**The Prime Minister:** First, this Government have given more money to the Welsh Government. It is a decision of Labour in Wales to deprioritise funding for the national health service in Wales. On the issue of the private sector and its role in the health service, under which Government was it that private access and the use of the private sector in the health service increased? [ Interruption. ] No, it wasn’t.

**Mr Speaker:** Order. I say to the shadow Secretary of State for Health, the hon. Member for Leicester South (Jonathan Ashworth), that he, too, is supposed to be auditioning for something. He is normally a very amiable fellow, but he is gesticulating in a very eccentric fashion. He must calm himself. It is not necessary and not good for his image.

**The Prime Minister:** First of all, we have put more money into Wales, but the Labour Government in Wales have decided to deprioritise funding for the national health service. Secondly, the increase that was seen in private sector companies working in the health service did not happen under a Conservative Government; that was under a Labour Government of whom the Leader of the Opposition was a member.

**Jeremy Corbyn:** My hon. Friend the shadow Health Secretary is auditioning to be Health Secretary, and he shows real passion for our NHS.

Under this Government, Virgin Care got £200 million-worth of contracts in the past year alone—50% up on the year before. The Prime Minister needs to understand that it is her policies that are pushing our NHS into crisis. Tax cuts for the super-rich and big business are paid for—[ Interruption. ] Yes, Mr. Speaker, they are paid for by longer waiting lists, ambulance delays, staff shortages and cuts to social care. Creeping privatisation is dragging our NHS down. During the Health Secretary’s occupation of the Prime Minister’s office to keep his job, he said that he would not abandon the ship. Is that not an admission that, under his captaincy, the ship is indeed sinking?

**The Prime Minister:** This Government are putting more money into the national health service. We see more doctors and nurses in our NHS, more operations taking place in our NHS, and more people being treated in accident and emergency in our NHS, but we can only do that if we have a strong economy. What would we see from the Labour party? We have turned the economy around from the recession that the Labour party left us with. What do we know about the Labour party’s economic policies? Well, we were told all about them in a description from the shadow Secretary of State for Education, the hon. Member for Ashton-under-Lyne (Angela Rayner), who I see is not in her place on the Front Bench today—

**Valerie Vaz** (Walsall South) (Lab): She is in hospital.

**The Prime Minister:** I do apologise. I did not realise that the shadow Education Secretary was undergoing medical treatment, so I apologise unreservedly for that comment. However, I have to say that she described the economic policies of the Labour party in unparliamentary terms, which included the word “bust”, saying that the Labour party’s economic policy was “high-risk”. That means high risk for taxpayers, high risk for jobs and high risk for our NHS. That is a risk that we will never let Labour take.

Q5. [903175] **David Morris** (Morecambe and Lunesdale) (Con): Moving on to a positive note about the NHS, my NHS trust, Morecambe Bay, has turned around from being one of the worst in the country—it was safe to say that five years ago—to one of the best.
That happened due to injections of huge amounts of cash, but the staff were amazing and turned the hospital around. Jackie Daniel, the chief—

Mr Speaker: Order. I gently invite the hon. Gentleman to be sensitive to time. We want not a long spiel, but a short question with a question mark at the end of it.

David Morris: Jackie Daniel has received a damehood for turning around the Morecambe Bay trust along with the staff, which is very positive. Does my right hon. Friend the Prime Minister look forward to working with Jackie Daniel’s successor to carry on turning the trust around, and will she wish Jackie well?

The Prime Minister: I am happy to join my hon. Friend in paying tribute to the work of staff at the Morecambe Bay trust. I particularly wish Dame Jackie well, and I recognise and pay tribute to her work in turning that trust around. This is just another example of the huge gratitude we owe to our NHS staff, who work so tirelessly on our behalf.

Ian Blackford: Jackie Daniel has received a damehood for turning around the Morecambe Bay trust along with the staff, which is very positive. Does my right hon. Friend the Prime Minister agree with her colleague that we must amend clause 11, which is nothing more than a power grab from Scotland?

The Prime Minister: The right hon. Gentleman knows full well that we have said we will look to improve clause 11. Indeed, my right hon. Friend the Chancellor of the Duchy of Lancaster made it very clear when he was answering questions earlier that we continue to look to amend clause 11. However, as I discussed with the First Minister before Christmas, we are looking to work with the devolved Administrations to ensure that we put the right frameworks in place so that, when we come to bring forward any amendment, it is done in the best possible way in the interests of all concerned. I thought that had been accepted by the Scottish National party, but we will be looking to bring forward amendments in the Lords.

Ian Blackford: That is simply not good enough. The Secretary of State for Scotland promised a “powers bonanza” for Scotland and that, crucially, amendments would be tabled ahead of next week’s debate. Yesterday it was revealed that no amendments will be tabled. The Tories always promise Scotland everything and deliver nothing. The Prime Minister has one last chance. Will she assure the House that amendments will be tabled ahead of next week, as promised?

The Prime Minister: The SNP says it wants to work with us on the future frameworks; we are doing exactly that. It says it wants clause 11 amended; we are doing exactly that. My right hon. Friend the Chancellor of the Duchy of Lancaster is intensifying his discussions with the Scottish Government and, indeed, with the Executive in Wales as part of that. We will be bringing forward forward amendments. The right hon. Member for Ross, Skye and Lochaber (Ian Blackford) says this is a Government who never deliver for Scotland. An extra £2 billion as a result of the Budget—that is delivering for Scotland.

Q10. [903180] Stephen Kerr (Stirling) (Con): Speaking of delivering for Scotland, the Stirling and Clackmannan-shire city region deal is a massive investment in Scotland’s economy and a huge vote of confidence in Scotland by a Conservative and Unionist Government. With projects such as the UK Institute of Aquaculture and the national tartan centre, which will have UK-wide impact and global reach, will the Prime Minister now confirm that the UK Government are ready to sign off the heads of agreement with the Scottish Government and the local councils so that we can get to work?

The Prime Minister: I am very happy to give that commitment to my hon. Friend. This is another example of how this is a Government who are delivering for Scotland. I know the importance of the Stirling and Clackmannanshire deal, which will be transformative.

Q2. [903172] Emma Hardy (Kingston upon Hull West and Hessle) (Lab): I have been contacted by 11 constituents who are frightened, many of them suicidal, because they have been told either by Hull clinical commissioning group or by East Riding of Yorkshire clinical commissioning group that their desperately needed pain infusion treatment will be stopped. This is the cruel reality of the NHS having to ration treatment due to funding cuts. Will the Prime Minister personally intervene to ensure that the Hull and East Riding CCGs review their decisions and guarantee my constituents the additional funding that will allow this treatment to be delivered?

The Prime Minister: We are putting extra money into the national health service. We are not cutting funding for the national health service. CCGs will be taking individual decisions about how they apportion their funding, but to stand up here and suggest that we are cutting funding for the national health service is plain wrong.

Q11. [903181] Lucy Allan (Telford) (Con): Telford is a rapidly growing new town where thousands of new houses are built every year. People come to Telford to buy their home on a new-build estate and live their dream, but for far too many the reality is unfinished communal areas, unadopted roads, non-compliance with section 106, developers failing to take responsibility and the local council passing the buck. Colleagues on both sides of the House see similar problems in their constituencies. Will the Prime Minister agree to strengthen the rights of home owners on new-build estates so that people can come to Telford, or to any other new-build area, and buy a new-build home confident that they can live their dream?

The Prime Minister: I am happy to say to my hon. Friend that of course we recognise the concern she has raised; this is a similar issue to the one raised by the
hon. Member for Weaver Vale (Mike Amesbury). I understand that it is Telford’s 50th anniversary, so I congratulate it on that. We are committed to legislating in relation to the unfair practice my hon. Friend has identified, because it is only fair that freeholders should have the same rights as leaseholders to challenge the reasonableness of the service charges they are being submitted to.

Q4. [903174] Pete Wishart (Perth and North Perthshire) (SNP): On a scale between one and 10, how does the Prime Minister think her Brexit is going, with 10 meaning everything is going perfectly, we know what we want to achieve and we know how to get it; and one being chaotic cluelessness? I know what I would give the Prime Minister, but what would she give herself?

The Prime Minister: I think—[ Interruption. ]

Mr Speaker: Order. Let me just say to the hon. Member for Perth and North Perthshire (Pete Wishart), whom I have known for a long time, that when he comes to reflect on his conduct, he will know that he can do better than that.

The Prime Minister: Thank you, Mr Speaker. I say to the hon. Gentleman that anybody who saw the success we had in negotiating phase 1 of Brexit, and getting that sufficient progress, will say that this Government know what they are doing, and that they are getting on with the job and doing well.

Q12. [903182] Dame Cheryl Gillan (Chesham and Amersham) (Con): Environmentalists across the UK were delighted with the announcement of co-operation with the Woodland Trust to develop the new northern forest, but will the Prime Minister assure us that plans to create new landscapes will not obscure the need to protect existing areas of outstanding natural beauty? Will she confirm her commitment to protecting the Chilterns AONB as we pursue the Government’s economic and housing development plans?

The Prime Minister: First, I congratulate my right hon. Friend on becoming a Dame in the recent new year’s honours—it is very, very well deserved. I assure her that we are committed to maintaining the strongest protections for AONBs and other designated landscapes. As regards the Chilterns AONB, I have to say to her that I enjoy walking in the Chilterns. I recognise the value of that particular environment, and we are committed to protecting AONBs.

Q6. [903176] Thelma Walker (Colne Valley) (Lab): I was a teacher and a headteacher for 34 years, so I know that I speak on behalf of thousands of teachers and support staff when I ask the Prime Minister this: in the light of the recent announcement of a fall in teacher training application numbers by a third, will the Government listen to professionals and fully and fairly fund our schools and colleges; end the toxic culture of targets and tests; deliver a broad and balanced curriculum; and, most of all, return the joy of teaching and learning to our classrooms?

The Prime Minister: We are putting record sums into our schools. More than that, we are ensuring that we are seeing increasing standards in our schools. That is why today there are 1.9 million more children in good or outstanding schools than there were in 2010, and I hope the hon. Lady would welcome that.

Q13. [903183] Kevin Foster (Torbay) (Con): The Prime Minister will be aware that there is great potential in the south-west to increase prosperity and productivity. Will she therefore confirm how her Government will be backing the south-west, in particular on the need to invest in our vital road, rail and digital infrastructure?

The Prime Minister: My hon. Friend is absolutely right about that, and he is a great champion for the needs of the south-west. We do want to increase prosperity and productivity in the south-west—and indeed right across the country—and we are taking some particular steps. Across the country we are committing significant sums in relation to infrastructure investment and the road investment strategy. We are committed to creating an expressway to the south-west, which will be part of an important development. We are investing more than £400 million into the rail network in the area. I am pleased to say that more than 600,000 homes and businesses in the south-west now have access to superfast broadband as a result of our superfast broadband programme. There is more we can do for the south-west, and I look forward to working with my hon. Friend in doing that.

Q7. [903177] Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): The Secretary of State for Health said that the Government wanted the UK to be the best in the world for cancer diagnosis, treatment and care. Today, according to a memo from the head of chemotherapy at Churchill Hospital in Oxford, terminally ill cancer patients will have their chemotherapy cut because of a massive shortfall in specialist nurses. Will the Prime Minister apologise to cancer patients and their families for this appalling situation?

The Prime Minister: That trust has made it clear that there are absolutely no plans to delay the start of chemotherapy treatment, or to reduce the number of cycles of treatment given to cancer patients. Simon Stevens has said that over the past three years the NHS has had the highest cancer survival rates ever. The latest survival figures show that over 7,000 more people are estimated to be surviving cancer after successful NHS treatment, compared with three years prior. There are 3,200 more diagnostic and therapeutic radiographers than in May 2010. We will continue to look at this issue and we are continuing to put in the funding that is enabling us to improve treatment for cancer patients.

Q14. [903184] Dr Andrew Murrison (South West Wiltshire) (Con): With record funding, our NHS is doing more than ever, but when the UK is in the bottom third of countries for heart-attack deaths, when we have significantly worse survival rates for stroke than France and Germany, and when our closest matches for cancer survival are Chile and Poland, is it not time to act on calls from all parts of the House, backed this week by the Centre for Policy Studies, to establish a royal commission on health and social care in this, the 70th anniversary year of our most cherished national institution?
The Prime Minister: My hon. Friend is right that we need to continue to look at the national health service and ensure that we continue to improve its performance in a variety of areas. The independent Commonwealth Fund has been clear that the national health service is the best healthcare system in the world, and that it is better than systems such as those in Germany, France and other countries I listed earlier, but of course we need to look at what more we can do. That is why we are putting more funding into and looking at the better integration of health and social care on the ground. It is about making sure that we are making a change and doing that integration now, because that is when it is going to make a difference to people.

Q8. [903178] Grahame Morris (Easington) (Lab): The Prime Minister said that she had reshuffled her Ministers so that they look more like the country they seek to represent. I am not sure about that, but in that spirit, will she acknowledge the massive problems in the private rented sector with absentee private landlords? Will she commit to come to visit Easington to gain her own appreciation of the scale of the problems that face many working-class communities? In the spirit of good will, will she support and give free passage to the Bill on homes fit for habitation that my hon. Friend the Member for Westminster North (Ms Buck) is promoting?

The Prime Minister: I have many fond memories of the time I spent in the north-east when I was a candidate up there. We do need to ensure that we have a good private rented sector in this country, but the one set of policies that would damage the private rented sector are the policies put forward by the Leader of the Opposition.

Bill Grant (Ayr, Carrick and Cumnock) (Con): I was delighted last week to hear the Secretary of State for Environment, Food and Rural Affairs confirm the Government’s commitment to supporting farmers after we leave the European Union. Will my right hon. Friend assure me that the unique needs of Scottish farmers and, indeed, crofters will be taken into account in the design of any new system?

The Prime Minister: My hon. Friend is right that as we leave the European Union, we will of course be able to put in place our own policy of support for farmers. We want that policy to recognise the particular needs of farmers in all parts of the United Kingdom, and that will of course include the particular needs of farmers in Scotland.

Q9. [903179] Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): My constituency office and local citizens advice bureau are receiving ever-increasing complaints about personal independence payment claims. Assessments are being refused and 65% of decisions are currently overturned on appeal at tribunal. The growing number of appeals means that the tribunal process is taking longer—anything from four to seven months. Does the Prime Minister agree that the PIP assessment process is fundamentally flawed? What action can she take to avoid the unnecessary expense of going to court and, more importantly, the undue stress and hardship being caused to my constituents and others throughout the country?

The Prime Minister: I understand the hon. Gentleman’s point about ensuring, as we want to, that these assessments are being conducted as well as they can be, and that people are getting the awards that they should be getting and that they are entitled to. Since we introduced the personal independence payment, we have carried out around 2.9 million assessments, 8% of which have been appealed, but only 4% of those decisions are changed following an appeal. In the majority of cases, that is because new evidence is presented at the appeal, which was not presented when the original case was put forward. The Department for Work and Pensions continues to look at ensuring that, when these assessments are made, they are done properly and that people get the right results.

Maria Caulfield (Lewes) (Con): My constituent, Justin Bartholomew, was just 25 when he committed suicide late last year. His family is convinced that his intake of high-energy drinks—more than 15 cans a day—increased his anxiety and contributed to his death. Given the increased safety concern around the high-energy drink market and the actions of people such as Jamie Oliver and Waitrose, will the Prime Minister consider introducing a national ban on the sale of these energy drinks for the under-16s?

The Prime Minister: My hon. Friend has raised a tragic case, and I know that the thoughts and the sympathies of the whole House will be with the family and friends of Justin Bartholomew. We have introduced the soft drinks industry levy. We recognise that there are issues around drinks that are high in sugar and we know that energy drinks high in sugar can be damaging to children’s health. We are supporting schools and parents to make healthier choices and to be able to identify those through clearer labelling and campaigns. Of course this is an issue that the Department of Health and Social Care will continue to look at, and it will continue to look at the scientific evidence in relation to these drinks.

Q15. [903185] Mhairi Black (Paisley and Renfrewshire South) (SNP): I have a constituent who escaped an abusive relationship and has been passed from pillar to post between the old Child Support Agency and the new child maintenance service. After four and a half years of that, she has now been told by the CMS that she has to start the whole process all over again. On top of that, it is insisting that she passes on her personal and her bank details directly to her ex-partner to receive payment. Will the Prime Minister agree to help to resolve this problem and to look at the system that has allowed this abuse to continue?

The Prime Minister: The hon. Lady raises what is obviously a distressing case; I recognise that. Arrangements are in place that ensure, as I understand it, that an individual does not have to pass on their bank details directly. The fact that her constituent has been asked to do so is something that should be looked into. I am sure that if she passes those details to the appropriate Department, it will look into the matter.

Colin Clark (Gordon) (Con): Does the Prime Minister welcome the findings of the Social Research survey that the majority of Scots believe that the rules on trade and
immigration should be the same in Scotland as in the rest of the UK? It looks like they agree that we are better together.

The Prime Minister: My hon. Friend has raised a very important point. People across the UK want to see controlled immigration—that is people in Scotland as well as people in the rest of the United Kingdom. As we leave the European Union, we will be able to introduce our own immigration rules and to control that immigration to Britain from Europe. The only point of differentiation is that, of course, we do have a Scotland-only shortage occupation list to recognise the particular labour market needs in Scotland. For the most part, that actually matches the UK-wide shortage occupation list, which shows that this is an issue for the whole of the UK, and that we need the same policy approach.

Fiona Onasanya (Peterborough) (Lab): In a March 2005 interview, the Prime Minister said: “Not getting things done; and seeing people’s lives hurt by government bureaucracy” makes her depressed. In the light of that comment, can the Prime Minister tell me whether she considers it reasonable and acceptable for the Driver and Vehicle Licensing Agency to withhold the licence of my constituent, Mr Coleman, for more than 18 months despite evidence showing that he was fit and able to drive, as she has not responded to my letter of 5 December?

The Prime Minister: I will ensure that the hon. Lady receives a response to her letter. She has raised a particular case in this House. I will need to look at the details of that case and I will respond to her letter.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): Last week, Cleveland Potash announced 230 job losses at Boulby mine in my constituency, which is devastating for Loftus and the wider east Cleveland community, where the mine is by far and away the largest employer. Tees Valley Mayor Ben Houchen, the hon. Member for Redcar (Anna Turley) and I all agree that it would be incredibly helpful if some of the funds remaining from the 2015 SSI rescue package could be repurposed to support people leaving Boulby. Will the Prime Minister agree to look into that with the Business Secretary, and will she make a commitment that Government agencies will do everything they can to support people affected by this dreadful news?

The Prime Minister: My hon. Friend is right to raise this case. It is obviously a worrying time for the workers who are affected by the announcement by Cleveland Potash. We will help people to find other work, and support those affected through the rapid response service of the Department for Work and Pensions. We will co-ordinate with the Tees Valley combined authority to ensure that we work together to make the best possible support available and ensure that it is aligned. The Department for Business, Energy and Industrial Strategy will look at the situation and the specific issue that my hon. Friend has raised.

Siobhain McDonagh (Mitcham and Morden) (Lab): Ava has been a foster-carer for years. When her privately rented home failed the inspection for an electrical certificate, which she needed to continue fostering, her landlord evicted her because he did not want to do the repairs. Now Ava and the kids are living in temporary council accommodation in a converted warehouse in the middle of a working industrial estate in Mitcham. The council that placed her there is going to withdraw her right to foster because her accommodation is not good enough. Can the Prime Minister tell Ava, kids in care who need foster-carers and the overworked British taxpayer how that makes sense?

The Prime Minister: As the hon. Lady has set it out, that does not appear to make sense: as a result of what has happened, we will lose someone who has been a foster-carer. I would like to pay tribute to the work that her constituent has done in foster-caring. We owe a tremendous debt of gratitude to those who care for people as foster-parents. As the hon. Lady has raised this in the House, I am sure that the local council will want to look at it again.

Several hon. Members rose—

The Prime Minister: Finally, Richard Grosvenor Plunkett-Erle-Drax.

Richard Drax (South Dorset) (Con): Thank you very much, Mr Speaker. While most of us were celebrating on New year’s eve, the crews of the Poole-based tug, Kingston, and the Swanage and Weymouth lifeboats were battling mountainous seas and 70 mph winds off the coast of Dorset to prevent a cargo ship from being blown on to the rocks. Thanks to the skill of the tug’s crew the tow was fixed and a disaster prevented. Will my right hon. Friend join me in praising the professionalism, courage and determination of all those involved, not least the volunteers of the RNLI?

The Prime Minister: I am very happy to do that, and to praise all those involved in averting a disaster—both the tug crew and the RNLI. Indeed, I would like to go further. RNLI volunteers do a fantastic job around our coastline day in, day out, and we owe them a huge debt of gratitude.
Points of Order

12.49 pm

Several hon. Members rose—

Mr Speaker: Order. It would not be a full day without a point of order from the hon. Member for Na h-Eileanan an Iar (Angus Brendan MacNeil).

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Thank you very much, Mr Speaker. May I congratulate you once again on your pronunciation of “Na h-Eileanan an Iar”, which was absolutely perfect?

On a point of order, Mr Speaker. Both the Leader of the Opposition and the Prime Minister talked about “the NHS” today, seemingly unaware that in fact there are four NHS services in the UK. I seek your guidance on what can be done to insist on knowledge and accuracy from the most senior parliamentarians in the Chamber, or is the Chamber indeed just the English Parliament?

Mr Speaker: If I did not know the hon. Gentleman as well as I do, I would think that he was being mischievous, but I cannot imagine that he would behave in that way. However, I am on the one hand flattered by his exhortation, and on the other hand at least a tad intimidated, for the idea that the Chair can be expected to insist upon knowledge and accuracy on the part of any Member or among any group of Members is an unrealistic ambition on the part of the hon. Gentleman. That is not a matter for the Chair. Members take responsibility for their statements in this House, but in so far as the hon. Gentleman was seeking to draw attention to what he regards as the singularity of the Scottish health service, I think he has accomplished his objective.

Angus Brendan MacNeil: Plurality.

Mr Speaker: Or even the plurality of services, as he witters from a sedentary position. I think he has accomplished his objective.

Layla Moran (Oxford West and Abingdon) (LD): On a point of order, Mr Speaker. I seek your advice on how I can ascertain Government policy and action on an urgent matter that affects my constituency. I have repeatedly asked the Business Secretary to come to Norwich to meet the highly productive workers there and see the highly profitable factories. So far, he has not got back to me. Although I understand that he is still in his place at the Department, there are several new junior Ministers whose positions and responsibilities we do not know. May I ask for your guidance on how we might get clarification on that point and answers from the responsible Ministers very urgently, given the hundreds of my constituents who face losing their jobs?

Mr Speaker: I can and will respond to the hon. Gentleman. I preface my response by thanking him for his courtesy in giving me advance notice of his point of order. I say with great seriousness that I appreciate the importance of this matter to him and his constituents. I have two points to make. First, on the specific question that he raised—which member of the new ministerial team has responsibility for the matter—it is customary for the Government to publish from time to time a list of ministerial responsibilities. It would certainly be helpful to Members on both sides of the House if the division of ministerial responsibilities within Departments could be publicly clarified as soon as possible. Meanwhile, the hon. Gentleman has put his concern on the record and I am sure that it will have been noted on the Treasury Bench.

Secondly, on the back of my experience as a Member before I became Speaker, my advice to him about seeking a visit is: persist, man, persist. Make what I would call a polite nuisance of yourself. Keep going, keep asking, keep requesting, keep putting the matter in the minds of Ministers. On the whole, I tended to find when I was a Back Bencher that by making a nuisance of myself in that way, more often than not, I got at least a significant share of what I was seeking for my constituents.

Martin Whitfield (East Lothian) (Lab): On a point of order, Mr Speaker. This point of order is pursuant to the one I raised last night, on which you made good, clear suggestions. I now understand that the Secretary of State for Exiting the European Union has issued a statement, but not an official statement. Given the words that were spoken on 6 December, have you heard from the Secretary of State whether he intends to come to the House to rectify the record?

Mr Speaker: The short answer is that I have received no indication of any intention on the part of a Minister to make an oral statement on this matter. However,
I think that the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office referred to the matter during his Question Time session, so I think there is an indication to the hon. Gentleman of how the Government intend to proceed on the matter. It may not satisfy him, but it is what we have got at present.

Moreover, it will not be beyond the wit and sagacity of the hon. Gentleman and some of his colleagues who are similarly exercised about the matter to highlight their concerns during the Report stage of the European Union (Withdrawal) Bill. I look forward with bated breath, eager anticipation and beads of sweat upon my brow to hearing him express his concern, for the simple reason that I intend to chair the bulk of those sessions on 16 and 17 January. Much excitement awaits me.

Siobhain McDonagh: On a point of order, Mr Speaker.

In answer to my question on behalf of my homeless constituent, Ava, who is also a foster-carer, the Prime Minister appeared to suggest that there was some doubt that she would be deregistered as a foster-carer because of her poor homeless accommodation. I confirm that she has been deregistered for that reason. How will I put that on the record?

Mr Speaker: The hon. Lady has achieved her objective. It will appear in the Official Report and if she wishes to send a personalised and signed copy of said Official Report to the Prime Minister, it is open to her to do so.

Planning (Agent of Change)

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

12.57 pm

John Spellar (Warley) (Lab): I beg to move, That leave be given to bring in a Bill to require specified planning controls in relation to developments likely to be affected by existing noise sources; and for connected purposes.

This Bill is designed to protect existing music venues from closure or crippling cost arising from the development of new residential properties in their vicinity, especially over questions of noise.

Why is that a problem? The Music Venue Trust and UK Music have been campaigning on the matter for some time and estimate that more than a third of music venues have closed over the past decade. Many Members of Parliament have examples of much-loved venues in their area that have been closed or are under threat. That is why there has been such widespread cross-party support for this Bill, as shown by the number of Members who have already pledged their support and the turnout at this morning’s photocall. This important issue was also raised on 3 November in an Adjournment debate by my hon. Friend the Member for St Helens North (Conor McGinn). There has also been welcome support from some of the music greats. Sir Paul McCartney said today:

“Without the grassroots clubs, pubs and music venues my career could have been very different. If we don’t support music at this level, then the future of music in general is in danger.”

I accept that there is a variety of reasons for the decline in venues, but many relate to changes in the neighbourhood, increasingly when redundant commercial or industrial premises are converted to residential, or are knocked down and rebuilt, or as empty sites are developed. Of course, much of that is very welcome. It is part of the regeneration of our inner cities, restoring their historic vibrancy and creating much-needed homes. However, it can sometimes lead to the loss of what makes parts of those areas attractive in the first place, especially to younger residents. Incidentally, that applies not just to music venues but to the wider fabric of inner-city life, and there are important questions as to how we preserve the vibrancy and diversity of city life more generally across our main conurbations.

My short Bill is a modest and focused measure that would adopt the principle of agent of change into planning law. That basically means that when buildings are converted to residential use or a new development is put up, the onus is on the developer—not the venue—to ensure that the new dwellings are protected from factors, particularly noise, that could be held to affect their general amenity and enjoyment.

Moves are already being made around the country to address these concerns. Many grassroots campaigns are being mounted to save local venues. For example, among my Bill’s sponsors are my hon. Friends the Members for Bristol East (Kerry McCarthy) and for Bristol West (Thangam Debbonaire), who have been campaigning with the Music Venue Trust in support of The Fleece in Bristol—a city, incidentally, that I am informed has more office-to-residential conversions than anywhere outside London.
Two other sponsors, my hon. Friends the Members for Cardiff West (Kevin Brennan) and for Cardiff Central (Jo Stevens), have been supporting the “Save Womanby Street” campaign, along with my hon. Friends the Members for Cardiff North (Anna McMorrin) and for Cardiff South and Penarth (Stephen Doughty). That has led directly to the Welsh Labour Government’s welcome adoption of the agent of change principle across Wales. Another sponsor, the hon. Member for Somerton and Frome (David Warburton), is concerned to protect the rapidly growing Cheese and Grain—a much valued venue in Frome—which shows that this is not just about the inner cities. The Mayor of London, with “London’s Grassroots Music Venues: Rescue Plan”, has that he will be introducing an agent of change rule into the next London plan. As I mentioned, the Welsh Government have announced a similar move, and this is also already under consideration by the Scottish Parliament and Government.

My Bill will provide the legislative reinforcement for that. It aims to give much greater clarity and greater power for local councils and planning inspectors to incorporate the principle into planning decisions. Why do it? Why was I so receptive to this idea, and why is there such strong public support? Because it matters. Of course it matters to those who enjoy the entertainment and for whom it opens new horizons. Obviously, it also matters for the staff and owners of the venues. But it matters a lot more than that—and not just for the nearby late-night kebab shops.

For a start, there is the impact on musicians, which is why the Bill is being supported by the Musicians’ Union. Less venues means less work and less opportunity to develop talent—or even for musicians to find out that they are not going to make it in the industry. It also means less opportunity to move up from amateur to part-time to full-time professional, and to national or even international stardom. I was talking today to Billy Bragg, who mentioned that he tried three times to move from having an ordinary job and working part-time to being a full-time musician. It was the existence of the clubs, pubs and venues that enabled him finally to make it on to the national stage.

We are in danger of taking away the ladder that has served both individual musicians and the music industry so well for so long. And what an industry—not only for companies, but for the staff they are heading, financial, economic and communication reasons, but quality of life is also significant. It is partly about personal safety, environmental quality and a pleasant streetscape, but it is also about the answer to the basic question, “Would I want to live there?” That is a question not only for companies, but for the staff they are seeking to attract, especially the highly mobile, technically skilled and talented international and multinational workforce, not least in our huge creative sector. The cultural and living environment is important to them. That means art galleries, theatres, concert halls, opera, ballet, football clubs, rugby clubs and other sporting environments, but it also means music venues and the street scene. It poses a question to those companies that are being enticed to move abroad after Brexit: “Would you and your family—especially your children and, equally importantly, your employees—prefer to live in London, Birmingham or Manchester, or in Frankfurt?”

I hope that this measure will provide some small but useful assistance and relief to a valued industry. I commend the Bill to the House.

**Question put and agreed to.**

**Ordered.**

That John Spellar, Kevin Brennan, Sir Greg Knight, Pete Wishart, Jo Stevens, Mr Edward Vaizey, Kerry McCarthy, David Warburton, Conor McGinn, Mr Nigel Evans and Thangam Debbonaire present the Bill.

John Spellar accordingly presented the Bill.

**Bill read the First time; to be read a Second time on Friday 19 January, and to be printed (Bill 149).**

**Mr Speaker:** Friday 19 January is a very good day; it is my birthday.
Jonathan Ashworth: I beg to move.

That this House expresses concern at the effect on patient care of the closure of 14,000 hospital beds since 2010; records its alarm at there being vacancies for 100,000 posts across the NHS; regrets the decision of the Government to reduce social care funding since 2010; notes that hospital trusts have been compelled by NHS England to delay elective operations because of the Government’s failure to allocate adequate resources to the NHS; condemns the privatization of community health services; and calls on the Government to increase cash limits for the current year to enable hospitals to resume a full service to the public, including rescheduling elective operations, and to report to the House by Oral Statement and written report before 1 February 2018 on what steps it is taking to comply with this resolution.

I begin by paying tribute to the extraordinary efforts of our NHS and social care staff for all their work this Christmas and new year, and this winter. They continue to do all of us in this House proud.

It is almost a year since the House debated the national health service in the first Opposition day debate following the Christmas and new year break. A year ago, we debated winter pressures with a backdrop that was characterised by the Red Cross as a “humanitarian crisis”. Here we are again, a year later, debating a winter crisis worse than last year’s. This winter crisis was described by Taj Hassan, president of the Royal College of Emergency Medicine, as “even worse” than last year’s. He also said:

“In some cases, I’ve heard of 50 patients in an emergency department waiting for a bed. We have to try to manage them...as best we can, in cold, draughty corridors, while dealing with new emergency patients.”

His words are backed up by the realities on the ground, revealed in the weekly reports of what is happening. Since the start of this winter, more than 75,000 patients waited for over 30 minutes in the back of an ambulance. Almost 17,000 patients waited for over 60 minutes. This is despite the NHS Improvement directive last year that emergency departments should accept handover of patients within 15 minutes of an ambulance arriving.

Ms Angela Eagle (Wallasey) (Lab): Does my hon. Friend recognise the pressure across the system? At Arrowe Park on the Wirral, staff made 48 extra beds available for the winter crisis and over Christmas, and in the event they had to make 40 more extra beds available by cancelling all elective surgery. Does he believe that this is the way to plan for the winter, and does he believe that the Department of Health made robust and appropriate plans?

Jonathan Ashworth: My hon. Friend speaks eloquently about the pressures on her local hospital. She will also be aware of how foolishly it would have been to close the Eastham walk-in centre on the Wirral, as was proposed because there were not enough staff at Arrowe Park Hospital. Fortunately, because of her campaigns and those of my hon. Friends the Members for Wirral South (Alison McGovern) and for Wirral West (Margaret Greenwood), the Eastham walk-in centre has been saved. That is because of Labour MPs working in their constituencies.

Helen Hayes (Dulwich and West Norwood) (Lab): King’s College Hospital NHS Foundation Trust in my constituency, one of the largest trusts in the country, has recently been taken into financial special measures. Does my hon. Friend agree that the failure of King’s is a canary in a coalmine for the NHS, and must be a wake-up call for the Government on the level of resource that our outstanding NHS staff need so that they can deliver for patients? Will he join me in calling on the Health Secretary to ensure that King’s emerges from financial special measures with the additional funding it needs to deliver safe, effective, world-leading care for patients?

Jonathan Ashworth: I am grateful to my hon. Friend for raising this issue. She has been a passionate defender of King’s, speaking out in this House on numerous occasions. Before Christmas, we saw the resignation of Lord Kerslake as the chair of King’s, when he spoke out about the real pressures facing our NHS, which were dismissed at the Dispatch Box by the then Minister when we had a debate in this House.

Anna Soubry (Broxtowe) (Con): Does the hon. Gentleman acknowledge that it was under a Labour Government that a walk-in centre in Broxtowe closed? However, I do not seek to blame that Labour Government, because it was a local decision made by local practitioners. Would he not at least accept, in a spirit of trying to build some sort of sensible debate about our NHS instead of always weaponising it, that this Government have put in an extra £437 million specifically for the winter period? Would he not at least give the Government credit for that planning, which we have never seen before?

Jonathan Ashworth: The right hon. Lady is a former Health Minister, so she will know that in her local hospital trust 771 patients have waited longer than four hours on trolleys, unable to get a bed. She talks about the winter money. We were calling for winter emergency money back at the general election, and we repeated those calls in September. That money did not come through until the November Budget, and hospital trusts were not told their allocations until a few days before Christmas. That is no way to prepare for the winter. I suspect that when she was a Health Minister, she would have been saying that to the officials in her Department.

Anna Soubry: The point is that for the first time a Government have done everything they possibly could——[HON. MEMBERS: “No.”] They have, because no Government can predict what the weather may be like, or the uptake of flu vaccinations. It is wrong to suggest that this is the fault of the Government in England when there has a problem across the whole United Kingdom, including in Scotland and Labour-run Wales.

Jonathan Ashworth: The right hon. Lady will know that we have had eight years of sustained underfunding of our national health service because of decisions by this Government, of which she was a member until very recently.
Jonathan Ashworth: My hon. Friend, who is an excellent member of the Health Committee, speaks with great eloquence, pointing out the hubristic response of Tory Members in saying that this was not predictable or preventable. This winter crisis was entirely predictable and entirely preventable.

Gloria De Piero (Ashfield) (Lab): Two hundred and thirty-three patients were left in ambulances for more than 30 minutes outside King’s Mill Hospital in the week of 25 to 31 December. That is more than 40% of those arriving by ambulance in that week. Does my hon. Friend agree that those patients and their families deserve an apology and a promise that that will never happen again?

Jonathan Ashworth: Absolutely. I have absolute praise for the staff at King’s Mill—it is where my first daughter was born, in fact. The way in which patients have had to wait for ambulances outside King’s Mill is entirely unacceptable, and this Government need to do something about it.

Several hon. Members rose—

Jonathan Ashworth: Let me make a little progress, if I may. I will try to take as many interventions as possible, but this is only a half-day debate and I know that many people want to speak.

We have heard the stories of ambulances backed up outside hospitals. Ambulances have been diverted from gridlocked A&E departments 150 times. Our hospitals are overcrowded and our bed occupancy levels are running at unsafe levels. In the run-up to Christmas, over one third of England’s children’s care units were 100% full, with not a single spare bed. We have heard reports of whole children’s wards being used for adults. In fact, we do not know the full scale of the crisis because this year NHS England is not reporting which hospital trusts have issued the OPEL—operational pressures escalation levels—alerts revealing hospital pressures. I hope that, given the Secretary of State’s keenness on a duty of candour, he will explain why the OPEL data is not being collected and published nationally for England, as it has been in recent years.

But of course behind every single one of these statistics is a real human story. We have heard stories of elderly, fragile patients treated in the backs of ambulances in the freezing January weather, or elderly patients, sometimes confused, languishing on trolleys in corridors, such as the 80-year-old epileptic man with severe dementia who was stuck on a trolley for 36 hours waiting to be treated at the Royal Stoke. His daughter, Jackie Weaver, said:

“it was absolutely horrendous. You couldn’t get past for all the trolleys”.

Ruth Smeeth (Stoke-on-Trent North) (Lab) rose—

Jonathan Ashworth: Given that this is about Stoke, I will give way.

Ruth Smeeth: We had 67 people sitting on trolleys. We ran out of corridor space. Two hundred people medically fit for discharge had nowhere to go. The pressure on my constituents and those of my hon. Friends in north Staffordshire was appalling, but so was the pressure on the staff who had to cope with looking after those patients. My constituents deserve better and the staff deserve better. We need money for social care—and we needed it last year.

Jonathan Ashworth: My hon. Friend makes a moving contribution to the debate. Those people in Stoke whose relatives have been waiting so long on corridors will see the Prime Minister saying, “Nothing is perfect,” but the truth is that we do not want perfection—we just want a bit of dignity and humanity in our health service.

Ms Karen Lee (Lincoln) (Lab) rose—

Jonathan Ashworth: I give way to my hon. Friend, who has been working in her constituency over Christmas.

Ms Lee: This time last week, I went out with an East Midlands Ambulance Service crew for a shift, and they told me that over the Christmas period they were waiting two hours and more outside A&E at Lincoln Hospital. They also said that they were not even just sitting in the ambulance—one of them, a paramedic, was going inside and cannulating patients, working in resuscitation, and clerking patients. Will my hon. Friend comment on that and on what we will do about it in government?

Jonathan Ashworth: My hon. Friend makes a powerful, and indeed raw, contribution to our proceedings, because she was working over the Christmas holiday on the frontline in Lincoln. I pay tribute to her and all her colleagues there. I hope that the Secretary of State reflects on her contribution and responds to it in his remarks.

Rachel Maclean (Redditch) (Con): The stories are indeed heartbreaking, and no one wants that for their constituents or their relatives. Will the shadow Secretary of State therefore recognise and welcome the investment that the Government have made in units for elderly and frail people? As I have seen in my hospital, the Alex, that investment has made a massive difference. It is too early to tell whether that will solve all the problems, and we of course want to do more, but it is making a real difference on the ground, as is the additional Government funding of nearly £4 million, which was put in place in time. The hospital has been in special measures, but its leadership is turning it around. Does he welcome such real examples of good practice that are helping our constituents?

Jonathan Ashworth: I do welcome examples of good practice, but I share the hon. Lady’s frustration, which she has put up on her website, about the money taking so long to reach the frontline: “while the money has been approved, the current frustration is the time it is taking for the Trust to gain access to the money.”

I agree with her: this money should have been announced sooner for our national health service.
Jonathan Ashworth: If I may, I will make a little progress. I have been generous, but I will try to take as many other interventions as possible.

We have heard about Stoke, but what about the story of 87-year-old Yvonne Beer, who suffers from dementia? She was at Worcestershire Royal when, forced to wait 10 hours in hospital to see a doctor, she had to be tied into a wheelchair with a scarf after her bed was taken away. We learn that Southmead Hospital in Bristol has had a capacity of 104%. Yesterday, a leaked memo revealed:

“Acute Medical Unit physicians have been on their knees with workload pressure”,

and that

“biggest risk remains patients in corridors in the Emergency Department with no allocated doctor, no allocated bed and no treatment—some of these are very sick indeed”.

Stephanie Peacock (Barnsley East) (Lab): In my local hospital in Barnsley, general and acute bed occupancy reached 100% on 31 December, despite the incredible effort of the staff. Does my hon. Friend agree that safety targets are simply not being met, and that is not good enough?

Jonathan Ashworth: Absolutely. Bed occupancy rates at such a level are unsafe. I know the Secretary of State is committed to patient safety—he has made it one of his signature issues—yet he is presiding over a health service in which bed occupancy in acute hospitals is routinely well over 85%.

We have heard about the pressures in South Yorkshire, but what about the pressures in West Yorkshire? Of the hospital ward in Pinderfields where people were left lying on the floor, a witness said:

“The man who was lying on the floor at the bottom of my husband’s bed was being sick. He was asking for a trolley to lie on but there wasn’t one to give him.”

Of course, their plight was dismissed in the House on Monday by the then Minister, the hon. Member for Ludlow (Mr Dunne), who told us there were enough chairs to sit on.

Paula Sherriff (Dewsbury) (Lab): Will my hon. Friend give way?

Jonathan Ashworth: I will give way to the local MP, and I will then try to make some progress.

Paula Sherriff: I am sure my hon. Friend will join me in thanking the staff for their gargantuan efforts this winter and over the festive period. Just this week, I was speaking to a nurse at the very same hospital, who advised me that staff had had to clear out the cleaning cupboard to put in a bed for a patient to receive an infusion. Does he share my horror at that? What on earth is our NHS to put in a bed for a patient to receive an infusion. Does he agree that such a level is completely unacceptable that people should be lying in corridors, but the hospital informed me before I made the statement on Monday that the patients who were photographed had been asked whether they wanted to sit down on a seat and had decided not to do so.

Jonathan Ashworth: I am grateful to the hon. Gentleman for taking the opportunity to clarify the situation for the House. Perhaps he should have done so on Monday. I do not know, but he may well still have been in place as a Health Minister if he had said that on Monday.

There have been huge pressures on the North East Ambulance Service, because of which it has been asking some patients, where appropriate, if they have alternative transport options, such as a family member. The East of England Ambulance Service has said that some patients were being sent taxis to get them to hospital, with paramedics stuck in ambulances queuing at hospitals for more than 500 hours in the past four days. Of course, clinicians have spoken out. Richard Fawcett of the University Hospitals of North Midlands warned that his hospital had “run out of corridor space”.

He also felt compelled to apologise for, in his words, the “third world conditions”.

Several hon. Members rose—

Jonathan Ashworth: Let me make a little progress, if I may, because I have been generous in giving way.

What is the response of the Prime Minister and the Secretary of State? A perfunctory apology, and the unprecedented blanket cancellation of elective operations.

Norman Lamb (North Norfolk) (LD): The hon. Gentleman mentioned the East of England Ambulance Service. He will be aware of the case of the elderly lady who lost her life while waiting four hours for an ambulance to arrive. That is often a result of having ambulances stacked up outside hospital, as he has described. Does he agree that it is now time to end these intolerable incidents—such failures of care are apparently widespread across the country—and to have a mature national conversation about how to increase the funding for our NHS and our care system to ensure that people get care when they need it?

Jonathan Ashworth: I agree entirely. I am entirely happy to have a conversation about how to increase funding in the national health service, but I have huge scepticism about whether this Government—having overseen eight years of desperately tight funding allocations for the NHS, with cuts to community health services—are prepared to engage constructively in such a conversation.

On the specific case that the right hon. Gentleman mentioned, the hon. Member for Clacton (Giles Watling), whom I cannot see in his place—I apologise if he is in the Chamber and I have not spotted him—has called for an inquiry. He has actually warned that if that incident was a result of underfunding, we need to put more funding into ambulance services, and I share his concerns.
Several hon. Members rose—

Jonathan Ashworth: If I may make a little progress, because I have been generous, I will then try to take more interventions. I am conscious, however, that this is only a half-day debate.

The consequences of this crisis are not only for those in urgent need, but for everyone using the NHS. Let us be clear that this panic cancelling of elective operations means that patients will suffer. Not only will patients suffer longer waits for operations while in pain and distress, but they will wait for appointments with the uncertainty of not knowing what is wrong with them, and the knock-on effects on NHS services and the wider society are huge. Already, patients are facing a waiting times crisis with 4 million on the waiting list.

Peter Kyle (Hove) (Lab): Will my hon. Friend give way?

Jonathan Ashworth: Let me make a bit of progress.

A lost month will mean that thousands of patients across the country are stuck with their lives on hold. To call this “routine care” misses the fact that these are big issues for the individual patients affected. The young man waiting heart valve surgery, who will have arranged time off work and for his family to be around to care for him, now has to cancel it all and does not know when his operation will happen. He also runs the risk of a deterioration in his heart function, which could lead to further hospitalisation in an emergency, adding to the pressures on our emergency services.

Vicky Ford (Chelmsford) (Con) rose—

Jonathan Ashworth: I give way to the hon. Lady, who has been very persistent.

Vicky Ford: Will the hon. Gentleman at least recognise that the NHS is doing more operations than ever before? In my area of Mid Essex, an incredible 72,000 operations were carried out last year, which is over 9,000 more than back in 2010. Will he join me in thanking the incredible NHS staff for the many better outcomes they are delivering?

Jonathan Ashworth: Yes, I will. I of course thank the NHS staff. Of course, if the hon. Lady wanted to thank the NHS staff, she could have supported us when we brought in motions to give them a fair pay rise, but I do not think she did so.

Dr Andrew Murrison (South West Wiltshire) (Con) rose—

Jonathan Ashworth: I give way to the hon. Gentleman, who I know always wants to contribute to such debates, but then I will make some progress.

Dr Murrison: The hon. Gentleman is extremely generous, and I always follow his remarks with a great deal of interest. Any cancellation is appallingly bad, but does he understand that the worst possible cancellation is one on the day of surgery, which is clinically unacceptable? Will he give the system credit for at least trying to introduce some sort of planning this year, for the first time that I can remember since 1984?

Jonathan Ashworth: The hon. Gentleman will know that the system is in such a state because of years of sustained underfunding. His answer would be a cross-party commission, a sort of royal commission, and I have huge respect for his contributions to these debates, but let us be clear that for eight years the NHS has not been getting the level of funding it should be getting in historical terms.

Peter Kyle: My hon. Friend is being very generous in giving way. Down in Sussex, patient transport was privatised and given to a company called Coperforma. Seven months after the contract was awarded, the company was stripped of it for its appalling practices and for completely underperforming in every way, shape and form. It now transpires that Coperforma has been given more money for seven months than it would have received if it had performed properly for a full year. Is that not indicative of the way in which the NHS is being run?

Mr Speaker: Order. May I appeal for brief interventions? I would just point out to the House that no fewer than 38 Back Benchers wish to speak, and even if the debate is allowed to run on beyond 4 o’clock, which is in the hands of the usual channels, probably half of them will not be able to do so. I say now that they will just have to sit, wait and hope—I am not publishing a list; we do not do so—but long interventions do not help.

Jonathan Ashworth: I will take that as my second telling off from you today, Mr Speaker. Given your guidance, I will try not to take any more interventions, but on the particular point raised by my hon. Friend the Member for Hove (Peter Kyle), the privatisation of patient transport services to Coperforma in his area of Sussex was an absolute disaster for patients and for the ambulance drivers, who I met—they went for eight weeks, as I recall, without pay. He has been campaigning on the issue, as has the GMB trade union, which I congratulate on the campaign it has run. We now learn that, having ended the contract, money is still going to that firm, which is an absolute scandal. I hope there can be a full inquiry into what has gone on, and I praise my hon. Friend for leading the campaign.

I have talked about the real impact of cancelled operations—for example, on someone waiting for a hip replacement who is forced to stay at home, unable to walk properly, and who, due to the pain, will no doubt at some point need to see a GP again in an emergency, which again adds to the pressures on the service. Perhaps someone in need of a cataract operation has had that operation cancelled and is now at risk of falls because they cannot see. Such a person could well end up in A&E, again needing a hospital bed. These are real people who rely on the NHS and whom the Government are letting down. The domino effect of not providing proper, timely care increases the crisis and pressures on the wider NHS.

Simon Hoare (North Dorset) (Con): Will the hon. Gentleman give way?

Rebecca Pow rose—
Jonathan Ashworth: I did say that I would try to make progress. It is clear that a lot of Members want to speak, so I will continue if I may. I have been generous in giving way.

Now we are beginning to hear that it is not just routine non-urgent operations being cancelled. Today, *The Times* reports of a hospital in Oxford considering delaying the start for chemotherapy due to staff shortages and lack of capacity—a four-week delay on all new patients needing chemotherapy—and there are proposals for those on the first cycle to have full chemo, but then discriminate against those on cycles 2, 3 and 4—second, third and fourth-line chemo—giving those patients a reduced number of cycles, which is a two-tier chemotherapy system.

Victoria Prentis (Banbury) (Con): Will the hon. Gentleman give way?

Jonathan Ashworth: Let me make some progress.

In *The Guardian* today, we read the story of Carly O’Neill, who went into hospital for her cancer operation and who was waiting in her gown with wristbands on in the hospital, only to be told her operation would have to be cancelled because there was no bed available.

Victoria Prentis: Will the hon. Gentleman give way?

Jonathan Ashworth: Let me finish the point.

How about my constituent Mr Geoff Brooker, who was diagnosed with cancer of the bladder? He has had his planned operation cancelled twice this winter. When Mr Brooker was asked about the Secretary of State’s apology, he said:

“He may have apologised for postponements but it was as if he was apologising for the cancellation of a jumble sale.”

My constituent went on to say that Ministers were “uncaring” and he blamed “poor planning”. He added:

“If operations like mine are postponed then it’s likely it will cause deaths. The decision could even be the death of me”.

There we have it: cancer patients having operations cancelled and trusts looking at delaying chemotherapy, yet these Ministers sit there with their NHS badges on their lapels. They should be ashamed of what is happening in the NHS today.

Victoria Prentis rose—

Jonathan Ashworth: I will give way for the last time and then I will make progress.

Victoria Prentis: Goodness knows the hon. Gentleman knows I am no apologist for Oxford University Hospitals Trust, but it is important that we do not make a crisis where there is not one. I have been assured by the University Hospitals Trust today that the leaked memo does not represent the current reality. I, like him, have concerns about recruitment, and I, like him, am worried about the future of recruitment in the NHS, but it is really important that we do not worry current cancer patients who will continue to receive their treatment.

Jonathan Ashworth: I thank the hon. Lady for her contribution. The memo was emailed to oncology department staff in the last few days. If the trust is now backing down on that, all of us across the House will welcome it, but the point still stands: the trust was looking at delaying chemotherapy by four weeks and it referred to a lack of staff and capacity. As we know, this trust has cut many, many beds in recent years, including cancer beds and renal beds, and we know that it is under huge pressures.

Rebecca Pow: Will the hon. Gentleman give way?

Jonathan Ashworth: I will make some progress.

The hon. Member for Banbury (Victoria Prentis) rightly said that we do not want it to make this more of a crisis, but the Secretary of State knows that cancelling elective operations as an impact on hospital finances. It means a loss of revenue for trusts that are already struggling to meet their deficit targets. Rather than allowing waiting times—

Simon Hoare: Will the hon. Gentleman give way?

Jonathan Ashworth: I am not going to take any more interventions, I am afraid.

Rather than allowing waiting times to escalate further, why will the Secretary of State not commit today to giving hospitals emergency funds, so those cancelled operations can be rescheduled as soon as is reasonably possible and hospitals do not lose revenue and get further into problems with their deficits?

The Secretary of State knows that cancelling electives impacts on training of the next generation of surgeons and junior doctors, who are warning that they could lose out on as much as a sixth of their six-month training because the operations are not there for them to do. Will he tell us, if these cancelled electives continue, what is his plan to ensure that our junior doctors and surgeons can catch up on the training they need? Our patients deserve the best-trained surgeons and junior doctors in the world. Cancelling those electives impacts on their training. Will he tell us his plan for dealing with that?

We all agree that every penny counts in rising to the challenge of the winter crisis caused by Downing Street. I know the Secretary of State will tell us that we have had the—

Simon Hoare: Will the hon. Gentleman give way?

Jonathan Ashworth: I said that I would not take any more interventions.

The Secretary of State will tell us about the winter funding, but we also know that the winter funding came far too late. NHS Providers has warned that it came far too late in December, and I am sure that many hospital trusts will be telling him privately in his morning phone calls that it came too late. Hospital trusts have to turn to expensive private staffing agencies to get through this winter due to the Government’s failure to invest in an adequate workforce to enable the NHS to deliver the care the nation needs. In many places, NHS trusts are effectively held to ransom by staffing agencies.

Last month, NHS Improvement refused a freedom of information request to publish how much these private agencies are costing individual trusts. Does the Secretary of State agree that that is unacceptable and that we should know how much extra money set aside for winter is going to private agencies? Will he undertake to
produce a league table naming and shaming every single agency and stating how much they have been getting from each and every trust, so that we can have clarity on this matter?

The Secretary of State will no doubt tell us that the problems we are experiencing have arisen because we have an ageing society. Of course, we see pressures on the service because of the demographics not just in winter, but all year round. Patients with less acuity, often with sometimes three or four comorbidities—in particular, those being treated at this time of year—put huge pressure on the service throughout the year.

However, these demographic changes in society did not just drop out of the blue sky in the last few weeks. We have known about these trends for years and years, which makes it even more criminal that the Government have presided over eight years of underfunding in the NHS—£6 billion of cuts to social care—and have acquiesced in a reduction of 14,000 beds. We will probably see more bed reductions if we pursue the sustainability and transformation plans across the country. We have seen delayed transfers of care increase by 50% these last years.

On social care, the Secretary of State may have those words in his title now, but he has no plan to deal with the severe £6 billion cut we have had to social care in recent years.

Vicky Ford: Will the hon. Gentleman give way?

Jonathan Ashworth: I am not giving way because we are pressed for time.

The fact that makes this winter crisis even more serious than anything that has gone before is not just the cuts to social care and to the community care sector, nor is it the underfunding of the NHS; it is that the crisis takes place against the backdrop of some of the most serious and far-reaching neglect of health perpetrated on the people of this country for more than century.

Sir Michael Marmot, a recognised authority on public health, has warned that this country has, since 2010, stalled in the task of improving the life expectancy of our population and that differences in life expectancy between the poorest areas in the country and the better-off have widened in recent years. This is what happens with austerity and cuts. This is what happens when the Government fail to invest in housing and the insulation of our housing stock. This is what happens when the Government allow fuel poverty to increase and oversee falling real incomes, benefit cuts for the poorest and rising child poverty. The shocking consequence is that the number of hospital beds in England taken up by patients being treated for malnutrition has doubled since 2010. Is not that a shame? Is not that a disgrace?

Andrew Percy (Brigg and Goole) (Con): The hon. Gentleman is right about one thing, which is demographic change. That and an ageing population are directly behind some of the malnutrition figures, and he must not misuse those. Is it not the case that, as the Royal College of Nursing told the Health Committee just two or three years ago, the failure to plan for a rising and ageing population is a feature not of the past five years, but of the past 10 to 15 years? He should not pretend that the problem has appeared overnight.

Jonathan Ashworth: When we had a Labour Government, we trebled in cash terms the investment going into the NHS. When we had a Labour Government, we had trolley waits, but under this Government we have had 560,000 people waiting on trolleys and 2.5 million people waiting more than four hours in A&E. That is the difference between a Labour Government planning for the health needs of this country and a Tory Government cutting for the health needs of this country.

This is not just a winter crisis; it is a year-round funding crisis, a year-round staffing crisis, a year-round social care crisis and a year-round health inequality crisis, manufactured in Downing Street by this Government. We have had eight years of underfunding and cuts; 14,000 beds have been lost; the number of district nurses has been cut by 3,500; the number of mental health nurses has been cut; child and adolescent mental health services budgets have been raided; the number of GPs has fallen; we are 40,000 nurses short; community and mental health services have been privatised; and social care has been savaged and staff demoralised.

Ellie Reeves (Lewisham West and Penge) (Lab): In my borough of Lewisham, CAMHS are facing a budget cut of up to £200,000, leaving many children without the treatment and services they need. Does my hon. Friend agree that the Government have failed to provide mental health services to some of the most vulnerable in society, particularly at this difficult time?

Jonathan Ashworth: Half this country’s clinical commissioning groups are raiding children’s mental health services because the money is not in the wider NHS. Yet this Secretary of State remains in place, even though the truth is that doctors and nurses have lost confidence in him, patients have lost confidence in him, and it seems the Prime Minister has lost confidence him. He fights for his own job, but he will not fight for the NHS. Our patients are crying out for change, but they will look at the Health Secretary, still in post today, and see that, to coin a phrase, “Nothing has changed. Nothing has changed.” I commend our motion to the House.

1.42 pm

The Secretary of State for Health and Social Care (Mr Jeremy Hunt): I, too, start by offering, on behalf of the whole House, a massive “thank you” to all staff across the health and care system who went beyond the call of duty and gave up their Christmas and new year to keep patients safe. Their dedication makes the NHS the best healthcare system in the world. They visibly demonstrated their values, constantly putting the needs of patients before their own.

Attempts to politicise pressures on the NHS are a serious mistake. The last time the NHS had a difficult flu winter was 2009—the hon. Member for Leicester South (Jonathan Ashworth) might know that, because he was working in Downing Street at the time. In 2009, the shadow Health Secretary was Andrew Lansley. He refused to attack the Government, because it was an operational issue—in fact, the then Health Secretary, Andy Burnham, thanked him for his “measured tone”, which meant that “together we can give a reassuring message to the public”. —[Official Report, 12 June 2009; Vol. 493, c. 1056.]

Sadly, I cannot say that to the shadow Health Secretary today.
[Mr Jeremy Hunt]

The hon. Gentleman, who has used some extraordinary language today, says that the NHS is on its knees. Let us look at the facts: since 2010, we have 14,000 more doctors, 12,000 more nurses on our wards and 5,000 more operations every single day; and in A&Es, which he talked about a lot, 1,800 more people are seen and treated within four hours every single day.

Yasmin Qureshi (Bolton South East) (Lab): In the spirit of sounding conciliatory, I thank the right hon. Gentleman for giving way. The Royal Bolton Hospital made provision for the Christmas period, but despite that it has had to cancel all routine operations, as well as elective operations in trauma and orthopaedics, until 1 February. What financial assistance will he give my local hospital, so that it does not suffer as a result?

Mr Hunt: We did provide an extra £1.4 million to the hon. Lady's local hospital before Christmas, to help it to deal with the immediate pressures, but let me deal with this issue of cancelled elective care operations. I agree with the shadow Health Secretary that it is a big deal for patients who are told that their planned procedure is to be postponed. No one minimises the distress that that causes, but last year and in previous winters operations were cancelled at the last moment, which is much more distressing and challenging for hospitals to plan around. The decision was taken this year to take a much more planned approach. We hope that, overall, fewer operations will be cancelled at the last moment, but we need to do this in a planned way.

Rebecca Pow: I cannot help but intervene, because last year someone very close to me—a member of my family—was one of those people who was about to go into the operating theatre when the procedure was cancelled. I came to my right hon. Friend about the case. I can tell the House that that was not a good experience, so it is a much better approach to plan ahead and give people notice. Yes, emergencies will happen, but planning ahead makes for a better system. I think the Government have made a good move.

Mr Hunt: My hon. Friend is absolutely right. I hope she will not mind my saying that her case involved cancer, and one of the things that the planned approach allows us to do is make sure that we do not have to cancel cancer operations, which are the most important, at the last moment. That is essentially what we are trying to do: protect everyone who is in a life-critical situation.

Thangam Debbonaire (Bristol West) (Lab): I have to intervene. I had treatment and an operation for cancer. If my operation had been cancelled, I would have been able to come to this House and ask the Secretary of State personally to intervene, but I am speaking today on behalf of Carly O’Neill, who went to the press to talk about her cancer operation. What explanation does the Health Secretary have to give Carly O’Neill and other cancer patients for their operations being cancelled?

Mr Hunt: I say, very directly, that the instructions from NHS England could not have been clearer that cancer operations should not be cancelled, because they are deemed to be urgent. From the perspective of the Government and NHS senior leadership, such cancellations are not acceptable. If the hon. Lady knows of individual cases, she should raise them with me and we will look into the matter. It is precisely because we want to preserve capacity for people who need it the most that we have taken these difficult decisions.

Norman Lamb (North Norfolk) (LD): The Secretary of State complains about politicisation of the NHS, but 90 colleagues from all parts of the House, including many Conservatives, are offering a different approach—a cross-party mature conversation to find a solution. Lord Saatchi, Baroness Cavendish and Nick Timothy are now arguing for the same thing. Will he now embrace that approach—a civilised approach to come up with a consensus for this country on how we secure our health and care system?

Mr Hunt: I have said publicly that, as we come to the end of the five-year forward view, we need to seek a consensus on the next stage for the NHS. We will need significantly more funding in the years ahead, and we need to build a national consensus on how to find that funding. My own view is that we should try to do that for a 10-year period, not a five-year period. I am open to all discussions with colleagues about the best ways to do that, but, as we heard earlier from the shadow Health Secretary, the Labour party is not interested in being part of those discussions, which illustrates how difficult it is to reach consensus.

Several hon. Members rose—

Mr Hunt: I will make some progress before giving way again.

Let us look closely at what the hon. Member for Leicester South has said. He used a lot of hyperbole today. He says the Government are sleepwalking into winter. This, of course, has been directly contradicted by Professor Sir Bruce Keogh, the medical director of NHS England, who has said:

“I think it’s the one”—

winter—

“that we’re best prepared for…This year we started preparing” a year earlier. He continued:

“We have…a good plan.”

Chris Hopson of NHS Providers, who regularly criticises the Government when he disagrees with us, has said:

“This time preparations have never been more thorough.”

Several hon. Members rose—

Mr Hunt: I will make some progress and then give way further.

Let us look at those preparations. We have put £1 billion into the social care system. The biggest lesson from last year was that pressure in the social care system was making it difficult for hospitals to discharge. What has been the result of that investment? Combined with the extra £337 million in the Budget, it has freed up 1,100 hospital beds by reducing the number of delayed transfers of care. In total, 2,700 additional acute beds have been commissioned since November. The shadow Health Secretary told The Independent:

“It is completely unacceptable that the 85% bed occupancy target…has been missed”.

What was bed occupancy on Christmas eve? It was 84.2%, so this had a real impact.
Several hon. Members rose—

Mr Hunt: I have said I will give way in a moment, but I want to make some progress, too.

Secondly, because many patients can be better seen by GPs, last year’s spring Budget allocated £100 million of capital to help hospitals to set up GP streaming services. In the year the shadow Secretary of State says the Government were sleepwalking, the number of type I trusts with GP streaming tripled to 91% of all such trusts across the country. At the same time, we made it massively easier for people to access GPs and nurses over the Christmas period. For the first time, people could get urgent GP appointments at their own surgery, or one nearby, from 8 to 8, seven days a week, except on Christmas day. The number of 111 calls dealt with by a clinician increased to nearly 40%—nearly double the Christmas day. The number of 111 calls dealt with by a clinician increased to nearly 40%—nearly double the figure in the year before. That, too, has massively reduced pressure on A&Es.

Lady Hermon (North Down) (Ind): I draw to the Secretary of State’s attention the fact that we continue to have no Northern Ireland Executive and therefore no local Health Minister, meaning that there is a specific problem in Northern Ireland. The NHS staff there are absolutely superb, but they have also been under enormous pressure in recent weeks, as have the ambulance crews. It is terribly demoralising and wearisome for them. The Government must take some responsibility, given the continued absence of a Northern Ireland Executive. What recent discussions—and with whom—has the Secretary of State had in Northern Ireland about dealing with the crisis in the NHS and among ambulance crews in Northern Ireland?

Mr Hunt: The hon. Lady will understand that because I am the Health Secretary for England, I have not been having an enormous number of discussions about the terribly challenging political situation in Northern Ireland, but I agree that it is incredibly unhelpful for the NHS in Northern Ireland if there is not an Executive. The former Northern Ireland Secretary—I know that the whole House wishes him well with his medical challenges—was very engaged in trying to address that issue, and I know that the new Northern Ireland Secretary will make it her top priority, too, precisely because it matters so much for public services.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Secretary of State does not want to get drawn into Northern Ireland—I understand that—but the Prime Minister seems willing at every opportunity to attempt to smear the Welsh NHS. Can we have some facts before us? Spending per head on the NHS and social care in Wales is 8% higher than in England, and it went up 4.5% last year. We are dealing with winter pressures and we are putting funding up, yet the Prime Minister seems to suggest otherwise.

Mr Hunt: The hon. Gentleman rather inconveniently forgets that the Barnett formula is a major reason why spending is significantly higher in Wales, but I do have something to say about the situation there, so I will oblige him a little later.

Dame Caroline Spelman (Meriden) (Con): May I bring the Secretary of State back to the benefit of having GP-led services in hospitals to take the pressure off A&Es? I commend Solihull Hospital for doing just that and reducing appreciably the number of examples of winter pressures being raised with us? Could that be replicated across the NHS?

Mr Hunt: This is what is so disappointing about some of the shrill tones we have heard this week in the media and today in the House. Reforms across the NHS are making a real difference. I totally commend what is happening at Solihull. The key to solving the long-term pressures on our emergency departments is to be better at treating people in the community. The growth in emergency admissions in the vanguard areas of the NHS is about half the national average. This is the five year forward view that we are rolling out across the country. We need to celebrate the successes.

Several hon. Members rose—

Mr Hunt: I want to make some progress before I give way again.

A very important point that we have not talked about much in this debate, although it is extremely relevant to people on the NHS frontline, is flu. This year, we have had a much bigger spike in the number of flu cases than at any time since the winter of 2009, but we also have in this country the most comprehensive flu vaccination programme in Europe. This year, for the first time, it was made available to those who are eight years and under and to care home staff. As a result, a million more people have been vaccinated for flu this year than in the year before. Uptake among NHS staff is at 59.3%, which is its highest ever level.

I say that because while the shadow Secretary of State tries to make the case that no preparations were made, the reality is that the NHS could not have been working harder to prepare for this winter. The result of those preparations is that A&E performance, having declined for six years in a row, last year stabilised for the first time, according to the latest verified data. In the week after Christmas, compared with the year before, we had fewer A&E divers and more calls to NHS 111. Many Members have talked about trolley waits. It is totally unacceptable for people to be left on a trolley for a long time, but November’s figures, which are the latest verified figures, showed that the number of trolley waits had fallen by three quarters compared with the previous November, so a huge amount has been happening.

Paula Sherriff: Does the right hon. Gentleman think that patients being treated in cleaning cupboards and six patients in four-bed bays without lockers, curtains or call bells are signs of good preparation for the winter crisis?

Mr Hunt: That is completely unacceptable, but it is disappointing that the hon. Lady stands up and runs down the NHS when her own trust, which received £3.4 million before Christmas to help with winter, has managed to improve its performance: last November’s figure was 91.8% compared with 77.7% a year earlier. That is a huge achievement for Mid Yorkshire Hospitals NHS Trust. Why will she not praise what is happening, rather than running the NHS down?

John Redwood (Wokingham) (Con): I support the leadership that the Secretary of State has offered during this winter crisis and the tone he has adopted in this
Mr Hunt: I will certainly revisit the issues in my right hon. Friend’s local authorities because I have looked at them before and know that there are particular pressures there. He alights on something else that the Opposition have not wanted to talk about, but which is very significant: the Prime Minister’s commitment to the integration of health and social care, which eluded the previous Labour Government over 13 years, despite their talking about it a lot. We are starting to see that happen in this country. Monday’s decision means that policy leadership will come back to the Department of Health, which will help us to make even faster progress.

Vicky Ford: I would like to take the Secretary of State back to his point about caring for people before they get to hospital and, in particular, issues to do with GPs. My local area has had difficulties recruiting GPs. It is vital that there is investment in increasing medical training for new doctors, so I plead with him to consider seriously the bid from Anglia Ruskin University to become the first medical school in Essex, where there is currently no pathway for our talented young people to train as doctors within the county.

Mr Hunt: I note my hon. Friend’s persuasive plea for her local university, Anglia Ruskin, but this is not a decision that I will be taking, because my own local university is also keen to offer more medical places. However, she is absolutely right to say that training the next generation of doctors and nurses is the long-term solution to these pressures.

Several hon. Members rose—

Mr Hunt: I will make progress and then take a final set of interventions.

The heart of the shadow Health Secretary’s case is that winter pressures are caused by political decisions, not operational issues. Let us put aside the difficult winters that Labour had in 1999, 2008 and 2009, but if he is to drag politics into this, he cannot first say that this is the fault of politicians in England and then totally gloss over the responsibility of politicians in Wales, which the Royal College of Emergency Medicine says is “a battlefield” where “patient safety is being compromised daily” and the situation “is unsafe, undignified and distressing for patients and their family members.”

I simply ask the shadow Health Secretary this: if it is the Government’s fault that one in nine A&E patients waits too long here in England, whose fault is it that one in six does in Wales? Whose fault is it that people in Wales are nine times more likely to wait too long for test results?

Chris Davies (Brecon and Radnorshire) (Con): I thank my right hon. Friend for giving way. On the Welsh NHS, he is absolutely right. Mr Speaker, I ask for your indulgence while I quote an A&E nurse in Wales, speaking last week: “On every shift, both corridors are full of patients on trolleys. We are housing ambulance crews for longer than ever, due to beds not being available in the hospital. Patients are being nursed in inappropriate areas due to no space. I have seen nurses in tears. I myself have been in tears. This is the first time that I have ever been demoralised and embarrassed to say that I am an A&E nurse in Wales.” That is in Wales, under Welsh Labour. Does my right hon. Friend agree that there is pure hypocrisy coming from Labour Members, who should take notice of the mistakes being made in Wales?

Mr Hunt: I totally agree. This is the central flaw in the Labour party’s case. We know that winter is the most difficult time, but Labour says that there is political responsibility to one part of the UK while saying absolutely nothing about Wales. I notice that the shadow Health Secretary is looking down at his notes as we talk about Wales, but the reality is that that completely blows apart his case. According to the British Medical Association, there is one area in Wales where not a single doctor was available overnight, and the performance of one A&E has fallen to 40%, which is unheard of in England—or, indeed, Scotland.

However, there is a political decision, which my hon. Friend the Member for Chelmsford (Vicky Ford) mentioned, that has a big impact on NHS winter performance: the number of doctors we train. Not once in my time as Health Secretary have I heard Labour call for an increase in training places. [Interruption.] No, I have not. The simple truth is that there is no point throwing money at a problem if there are not doctors and nurses available to spend the money on. While I have been Health Secretary, we have had 40,000 more doctors, nurses and other clinicians working in the NHS, but we need more. That is why, under this Prime Minister, we have announced the biggest increase in training places for doctors and nurses in the history of the NHS.

Several hon. Members rose—

Mr Hunt: I will give way to the hon. Member for Eltham (Clive Efford), and then to my hon. Friend the Member for Brigg and Goole (Andrew Percy).

Clive Efford (Eltham) (Lab): I congratulate the Secretary of State on facing down the Prime Minister on Monday, when what emerged was one man, two jobs, no governor. He must accept that the £6 billion in cuts to social care since 2010 has had a major impact, particularly on winter crises. Does he regret the Government’s decision to take that money out of social care?

Mr Hunt: In 2010, we faced the worst financial crisis since the second world war. The hon. Gentleman will know which Government were in charge when that happened. People were talking about a run on the pound—I notice that the Labour party continues to talk about that—and the crisis had to be addressed. We, like other countries, had to make significant reductions in public funding, but when we got the economy back...
Mr Hunt: I want to make progress, because a lot of Members want to speak, but I did say that I would give way to my hon. Friend the Member for Brigg and Goole.

Andrew Percy: I thank my right hon. Friend for giving way. He knows of my interest in ambulance services. I was on duty for Yorkshire Ambulance Service as a responder this Christmas and new year, and will be again tomorrow night. When he talks about workforce planning, he rightly talks a lot about doctors and nurses. Will he say something about how our incredibly well-trained paramedics can be used better to relieve pressure in A&E and reduce delays there?

Mr Hunt: I thank my hon. Friend for his work as a first responder; that is a fantastic example in his community. We have 1,700 more paramedics than we did seven years ago. My hon. Friend is absolutely right because the role of paramedics has changed dramatically over recent years. It used to be about scooping people up and taking them to hospitals; now, we are treating many more people on the spot. Paramedics have an extraordinarily important role, but it has changed. There is a changed emphasis, as in other parts of the NHS—a move towards doing as much as we can to treat people safely outside hospitals and to keep them at home, because we know that is the safest way.

Wes Streeting (Ilford North) (Lab): I am grateful to the Health Secretary for giving way. The simple fact is that if we want more care in the community, the Government have to stop slashing social care budgets. If we want to stop people appearing at hospital with preventable conditions, we need to stop cutting public health funding. The Government do not have an economic record to be proud of, but even looking at the public spending that is being made, we see that the Government are penny wise and pound foolish.

Mr Hunt: I am sorry, but 3 million additional jobs have been created, so we do have a strong economic record, and that is why we have increased funding for social care recently. We have increased NHS funding significantly. As for slashing funding, the hon. Gentleman’s local trust received £9.7 million before Christmas.

Mr Dunne: Will my right hon. Friend reflect on the issue of beds? As a result of the measures that he has taken in recent weeks, Shrewsbury and Telford Hospital NHS Trust in my area managed to release an extra 120 beds to help it to cope with the significant winter pressures that it faced. Does he agree that community hospitals such as my area’s Bridgnorth Community Hospital and Ludlow Community Hospital, which have community beds, have a role to play in releasing pressure on acute hospitals from patients who no longer need acute care?

Mr Hunt: I agree. I want to take this chance to thank my hon. Friend for being an absolutely superb Minister of State at the Department of Health. The fact that the NHS is better prepared this year than it has been for very many years is partly because of his efforts, and I commend him for his fantastic contribution.

Several hon. Members rose—

Mr Hunt: I shall give way one final time before I conclude my speech.

Alex Chalk (Cheltenham) (Con): Does my right hon. Friend agree that the calibre of local trust leadership can play a huge role? In Gloucestershire, new trust leadership has tackled serious internal financial failings head-on. As a result, A&E times have been slashed and turned around, which meant that A&E waiting targets were met in December. Does he agree that that shows what can be done with the right leadership?

Mr Hunt: It absolutely does, and no one campaigns more vigorously for his local trust than my hon. Friend. Just before Christmas, I visited his trust’s Gloucester site and met the management and staff. The situation there is extraordinarily impressive and a great inspiration to many parts of the NHS.

I finish on the issue of funding. The shadow Health Secretary has been using very strong language, but he has conveniently overlooked the fact that in the past four years, real-terms funding for the NHS has increased by £9.3 billion, which is £5.5 billion more than his party promised in 2015.

Chris Elmore (Ogmore) (Lab): Will the right hon. Gentleman give way?

Mr Hunt: I will conclude, because a lot of hon. Members want to speak.

The shadow Health Secretary is right that there are real pressures, so what are the facts? We spend 9.9% of our GDP on health, which is 1% above the EU average, and about the same as the EU15—the western European countries—but we want to spend more, so in England, from 2011, funding went up by 15.6%. In Wales, Labour chose to increase funding by only 8%. This motion is about money. When it comes to NHS funding, Labour gives the speeches, but Conservatives give the cash.

2.9 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): Like others across the House, I thank all staff in all four UK systems, who, as the Secretary of State has said, have gone above and beyond the call of duty to focus on their patients, and I do not think any debate we have in here is intended to upset or insult any of them.

Before the hon. Member for Ludlow (Mr Dunne) perhaps leaves the Chamber, I want to thank him for his service as a Minister of State for Health, whom I often met across the Chamber, but I also want to correct a comment he made in answer to my question on Monday. He claimed that the number of patients waiting longer than 12 hours in A&E in England was half the level that in Scotland.
Naturally, I would have expected the Minister to know all the stats and what they mean: in England data are only published for the percentage of patients who meet, or do not meet, the four-hour target. There is no publication of data on eight hours or 12 hours. The clock restarts for patients who require admissions, and that is defined as from the decision to admit until they get a bed and is known as trolley waits. So 48,000 patients waited over four hours on a trolley after their four-hour wait in A&E to get a bed, and the 109 he was referring to had waited over 12 hours on a trolley for a bed after the four or five hours they had waited in A&E. Therefore, it was utterly incorrect to compare that with the Scottish data, where we have a single clock from when the patient starts right through until they get to where they need to go. I simply want to clarify that while the hon. Gentleman is in the Chamber.

Stephen Kerr (Stirling) (Con): I know that comparing England and Scotland is one of the pastimes that Scottish National party Members like to engage in—it is a fascination for them—but the reality is that in my constituency of Stirling, served by the excellent NHS Forth Valley in Larbert, only 57% of patients were seen within four hours in the last week of last year because we have a flu epidemic in Scotland, as they do in England, and that should be acknowledged.

Dr Whitford: If the hon. Gentleman gives me a little longer, he will find that I intend to talk about the flu epidemic, but before he gets too celebratory he might want to wait until tomorrow when we will have comparable data, because while in Scotland the data are published every week, in England they are published only every month. I am glad, however, that we no longer wait six weeks after the end of a month, which is 10 weeks after the start of it, but get it a fortnight later. So that will be available tomorrow, and then he can compare hospital trusts in England with hospitals in Scotland to his heart’s content. I would have thought that, as someone who celebrates the United Kingdom, he might want to praise the fact that Scotland has led the entire UK since March 2015 on emergency admissions and A&E.

Having corrected that, all of us recognise that this is a particularly tough winter because there has been an outbreak of flu on top of a bad freeze. I point out to those who think the worst is past that the flu season lasts until March and at the moment this is an outbreak, not an epidemic, but it comes on top of underlying pressures, and across the four nations this has involved staff having to go above and beyond the call of duty.

Whether it was how Public Health England said it or how the media reacted to it, this business of stating in public that the flu vaccination does not work is unfortunate and irresponsible. The flu vaccination recipe is planned by the World Health Organisation at the beginning of each year. It will already be working on next year’s flu. The clock restarts for patients who require admissions, and that is defined as from the decision to admit until they get a bed and is known as trolley waits. So 48,000 patients waited over four hours on a trolley after their four-hour wait in A&E to get a bed, and the 109 he was referring to had waited over 12 hours on a trolley for a bed after the four or five hours they had waited in A&E. Therefore, it was utterly incorrect to compare that with the Scottish data, where we have a single clock from when the patient starts right through until they get to where they need to go. I simply want to clarify that while the hon. Gentleman is in the Chamber.

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Whether it was how Public Health England said it or how the media reacted to it, this business of stating in public that the flu vaccination does not work is unfortunate and irresponsible. The flu vaccination recipe is planned by the World Health Organisation at the beginning of each year. It will already be working on next year’s flu. It does not have a crystal ball and people who have what we in the medical profession call a retrospectoscope should recognise that that tool was not available at the time when the decisions were made. Producing vaccine is a biological process that takes months, so the decision is made in March for the northern hemisphere, and all the companies produce to that recipe. Headlines in Scotland implying that the Scottish Government popped down to Boots and took the wrong vaccine off the shelf are therefore facile, and that also encourages people not to bother.

We already have falling vaccination rates in childhood vaccination and in flu. We should be pointing out that multiple flu viruses are circulating. While all the talk in the media is of Australian flu, in Scotland that is about a quarter of the strains that are circulating.

One of the issues with flu is that it happens in cold weather, and in Scotland we get the coldest weather in the United Kingdom, so we have double the rate of flu that there is down here in England. We also had a worse freeze, and are continuing to have a worse freeze. So when the data come out tomorrow, I think we will see that Scotland will still lead the UK. We will not be performing to the level we want. We have not met the 95% target for emergency departments since August, but England has not met them since 2015 and, sadly, Wales has not met them since 2008. So this is a challenge across the board, but Scotland has been more resilient. I call on all MPs to encourage staff and other people to get a flu vaccination, because this will continue until March and it is still absolutely worth doing.

The Secretary of State often talks as if the problems in A&E are due to people who should not be there. If we talk to anyone who works in A&E, they will say that, by and large, that is not the case. With people getting fractured ankles and fractured wrists on the ice, A&E will have been very busy with having people carted in and X-rayed, and what we call in Scotland getting a stookey put on before they go home. That is all going to take time, but anyone who works in A&E would say that the key issue is frail, sick people, often with multiple conditions, and whether they fractured their hip falling on the ice or have a respiratory problem secondary to flu, they need a bed and the issue in England is that there are not enough beds.

Dr Whitford: I thank the hon. Lady for her intervention.

Obviously, the shape of medicine has changed. More is delivered in primary care—as a surgeon, I well know that more surgeries are delivered in a day—but if we are doing a straightforward operation on an older patient, they will still always require longer rehabilitation; they are more likely to stay overnight or several days, and if they have fractured their hip, they will require full rehabilitation before they go home. The problem is that the number of beds in England has been halved since 1987—under successive Governments—and the NHS stats released for the end of the second quarter of 2017-18 show that, even since the winter of last year, when the situation was described as a humanitarian crisis. That was a mild winter that did not have a flu outbreak on top.
England has only 2.4 beds per 1,000 population, whereas the EU15 that the Secretary of State refers to has 3.7, and we in Scotland have more than four. If we are running constantly with bed occupancy rates of over 85% or 90%, that is where the issue lies.

Paula Sherriff: The hon. Lady refers to the decreasing number of available beds; does she agree that we have a bottleneck now in many hospitals due to the lack of social care? In one day over the festive period in my area, just over half of ambulance transfers were completed within the required period. The Secretary of State likes to quote statistics at me, but I would like to give him that one to think about.

Dr Whitford: There will obviously be lots of bandying around of figures, and talking about the four-hour target and the achievements and the numbers, and, as I have said, it serves as a thermometer to look at the entire system from the patient turning up at A&E to their going home. That is what this is a measure of, and it is there to flag up concern. While we will be getting that data, we do not need it; we have already seen ambulances 12-deep, and have already heard that 75,000 patients are stuck in ambulances for between half an hour and an hour, and 17,000 stuck for more than an hour. As was mentioned by the right hon. Member for North Norfolk (Norman Lamb), who is no longer in his place, this means that those ambulances are not available to respond to other 999 calls, which endangers patients.

Huw Merriman (Bexhill and Battle) (Con): I think the hon. Lady for giving way, and I apologise if she was still answering the point made by the hon. Member for Dewsbury (Paula Sherriff). I accept her point that many people are coming into A&E when they should not be. That is when they go to A&E. It is important to make it really clear where they should go to address some of those admissions from being made and to allow people to be looked after in their own homes?

Dr Whitford: I am not 100% sure whether the hon. Gentleman meant attendances at A&E or admissions, which is what he said—

Huw Merriman: Attendances.

Dr Whitford: Attendances at A&E tend to be higher in the summer, when kids are on bikes and trampolines, and up trees. It is admissions that are higher in winter, when A&E is dominated by people who are sick. Of course we want primary care and the 111 system to work, so that people do not use A&E as a first port of call, but the problem comes when that all gets too complicated and patients cannot work out where they should go. That is when they go to A&E. It is important to make it really clear where they should go to address which problems.

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Dr Whitford: I completely agree that establishing accountable care organisations only through secondary legislation is utterly wrong. We have had multiple debates about STPs, and I have said that going back to place-based planning is the right way to integrate and develop a local service, but there should not be a private company at the top making the decisions. There needs to be a publicly accountable body. There is going to be yet another big reorganisation in NHS England, and the proposed structure needs to be debated in this place, not behind closed doors. Yes, money is tight, with the NHS seeing rises of just over 1% a year in the past seven years compared with almost 4% in the past, but it is estimated that between £5 billion and £10 billion is being wasted in the healthcare market itself, through bidding, tendering and profits, and now through this habit of companies suing if they do not win a contract.

It is crucial to move back to developing services for a community. It is also crucial that health and social care should be integrated, and I welcome the combination of both titles in the Secretary of State’s role, if that means that we are going to work towards meaningful integration, but it must be done in a structured, responsible and legalistic way.

Chris Elmore: The Government spend an awful lot of time attacking the Welsh NHS. In terms of the Secretary of State’s new cordial attitude in not attacking any NHS services, will the hon. Lady join me in condemning former Prime Minister David Cameron’s comment that Offa’s Dyke was the line between life and death, depending on which country one lived in? Wales has an integrated health and social care service, which is also integrated with local government, with a £60 million fund having been established over the past five years. She referred to the cross-party working that could happen, particularly if the Government were willing to engage properly in these services rather than attacking the Scottish and Welsh Governments on NHS care. Does she agree that we could use such working to learn good practice?

Dr Whitford: The four health services are very different. In essence, we have four laboratories. NHS England is by far the largest, but they all face different as well as similar challenges. I am sure that if there were more discussion of how things have been done, there could be more lesson-learning in different directions.

In 2010, we were promised that there would be no more reorganisation. The same promise was made in 2015, but NHS England is now facing another reorganisation, in the STP system and in accountable care. It is crucial that the focus should be not on bottom-line,
budget-centred care but on patient-centred care. It is wrong that any such changes should be introduced through secondary legislation. They must be introduced in this place—either through debate, in Committee, through convention or in a royal commission—to enable us to come up with a structure that will function. Since 2013, the deficits have gone up, the waiting time failures have gone up and the stress on staff has gone up, making it even harder to keep hold of people. Let us put the patient in the middle, but let us also support the staff who look after the patient.

Several hon. Members rose—

Mr Speaker: Order. We are grateful to the hon. Lady for her contribution. I must advise the House that, on account of the large number of Members interested in contributing to the debate, there will be a four-minute limit on Back-Bench speeches with immediate effect.

2.25 pm

Andrea Jenkyns (Morley and Outwood) (Con): It is good to be back after using the NHS’s maternity services.

I am proud of our NHS, and I am tired of Opposition Members talking it down. Our healthcare system is one of the best in the world, and while there is more to do, we should continue to improve our NHS with excitement for the opportunities ahead. We need to be honest about our current situation. We have an ageing and expanding population, and other strong-performing healthcare systems around the globe are facing the same pressures as we are. As a member of the all-party parliamentary group on Taiwan, I was fortunate to see at first hand the excellent healthcare provision over there, yet Taiwan’s own Ministers shared with the delegation the fact that they are facing the same pressures as we are.

It is a wonderful thing that we are living longer. It is a credit to advances in medicine and evidence of the effectiveness of this Government’s care policies and the strong performance of our NHS. This Government began preparations for winter pressures earlier than ever before. They drew up plans to free up 2,000 to 3,000 beds, extended the flu vaccine programme and provided help to GPs to extend working hours. In my own area, the Mid Yorkshire Hospitals NHS Trust and the Leeds Teaching Hospitals NHS Trust each received an extra £3.4 million for their winter preparations. As the director of acute care at NHS England has stated, the NHS is better prepared for winter than ever before. They drew up plans to free up 2,000 to 3,000 beds, extended the flu vaccine programme and provided help to GPs to extend working hours. In my own area, the Mid Yorkshire Hospitals NHS Trust and the Leeds Teaching Hospitals NHS Trust each received an extra £3.4 million for their winter preparations. As the director of acute care at NHS England has stated, the NHS is better prepared for winter than ever before. Furthermore, from 2015, the Government continued to increase investment in the NHS, from £101 billion in 2015 to £120 billion by 2020. It is simply false for the Opposition to claim that the health budget has been cut since 2010.

But this is not always about how money is invested; it is also about how it is used. During my university studies, in a dissertation focusing on economic and healthcare policy, I looked at investment per capita compared with healthcare outcome. There is a lot of waste in the NHS, but the Government’s strong record on tackling it has put us in a better position than ever before to tackle winter pressures. Cutting the use of expensive agency staff, the positive impact of NHS self-driven improvements and the consolidation of services are only some of the examples of areas in which excellent progress has been made in order to deliver better value for money for the taxpayer, to deliver results in the light of our ageing and expanding population, and to prepare us better for winter.

Having sat on the Health Committee, I am fully aware that there is still more to do, but I am strongly encouraged by the Government’s actions and those of my right hon. Friend the Secretary of State. I would like to take this opportunity to congratulate him on his additional responsibilities. Integrating health and social care makes sense, and it will only serve to better prepare the NHS for winter. I wish him much success with the important task ahead. I know that this is an area he is passionate about. GP working days and a seven-day NHS are only some of the areas in which work has begun, and this will ensure that the winter preparations get better and better. I join my right hon. Friend in urging those on the Opposition Benches to look at their own record in Labour-run Wales.

During the winter months of last year, I myself required the care and help of the NHS on a number of occasions. During my pregnancy I developed a temporary heart condition, and I have to say that the care was absolutely excellent. The Government’s investment in mental health provision for people having babies is also excellent. The NHS also saved my husband’s life when he had stage 4 cancer. I commend the Government for their work, and I wish my right hon. Friend every success in his new role.

2.30 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): I want to talk about the situation at my local hospital, the Royal Stoke University Hospital. Winter crises there are hardly new, but they have escalated year on year, and our hospital features luridly in the national press each winter. It is often the most affected, and it is no coincidence that its funding deficit is England’s worst. This winter, however, is the first time that Royal Stoke consultants have taken to social media to apologise for 36-hour A&E waits, for corridors yet again jammed with the frail elderly on trolleys, and for what they now describe as third-world conditions.

The background is that of all the areas subject to the so-called sustainability and transformation plans, Staffordshire is the worst performing in the country. Before the 2015 general election, we exposed locally a funding deficit, prior to the STP, that would have reached £250 million a year by 2020. Since then, the issues have been exactly the same, but the figure for health and social care has now more than doubled. The Royal Stoke now accounts for over £100 million of it, having taken over the crisis-ridden Stafford Hospital, for which extra Government funding has now ended. The response so far has not been to invest in change, but to launch a scorched-earth policy. Community Hospitals have been closed, rehabilitation wards shut, drug and alcohol services axed, and lip service paid to the prioritising of mental health. The effect is most acutely felt at A&E and in admissions to Royal Stoke University Hospital, which is already brimming to capacity and struggling to discharge hundreds of patients because social services are also in crisis.
On 23 November, I attended a clinical commissioning group “Designing Your Future Local Health Services” consultation at Bradwell Hospital in Newcastle-under-Lyme. It is a hospital close to my heart. At the turn of the millennium, before I became an MP, I chaired our local “NHS Care for All” campaign, which saved Bradwell Hospital as a facility precisely to take pressure off the Royal Stoke. My father passed away there in 1997 and my mother, a former nurse, passed away there after a catastrophic stroke three years ago.

At the end of March last year, our local CCGs closed Bradwell Hospital, with Longton and Cheddle community hospitals have gone beforehand, and wards at Leek Moorlands Hospital have closed since then. I was the only person at the November meeting to label the consultation a sham. I also said that I wished the meeting could have happened at the end of February this year instead, after the winter crisis, the flu and the norovirus had hit, as they are doing now. The CCGs had tried to pull the plug on Bradwell in the autumn of 2016, but they had to keep it open for another six months to cope with last year’s winter crisis. As late as November, they were saying they had no plans to reopen the hospital, but there was an inevitable volte-face in December.

Lurching from crisis to crisis is no way to run and planning a health system, and it is not only MPs, campaigners, patients and their families who are saying that. Last year, working with local councillors, including Charlotte Atkins at Staffordshire County Council and the indefatigable Joan Bell at Stoke-on-Trent City Council, the reformed local “NHS Care for All” campaign, which is chaired by the energetic Councillor Alison Gardner from Newcastle-under-Lyme, succeeded in getting our hospital closures referred to the Secretary of State. The advice of his independent reconfiguration panel was published just before Christmas, and it was damning of the CCGs. The verdict was delivered to him on 18 October—well before the winter crisis—and we would have thought that he would have reacted, but just one week later the chief executive of two of our local CCGs was appointed to run all six Staffordshire CCGs. That is a reward for failure in our area. Things have to change.

For my 20 years as an MP, there has been an inevitable volte-face in December.

Today’s motion states that the Government have failed to “allocate adequate resources to the NHS”. However, investment in the NHS will increase from £101 billion in 2015 to £120 billion in 2020, which is £2 billion more than the NHS asked for in its own plan for the future. The question of how much money is needed is just as important as how it is spent. It is right to remember that we are not the only country with an ageing society that is facing such challenges. Not only do we spend more than the EU average, but new research shows that we spend more on healthcare than the average for OECD countries.

For all my 20 years as an MP, Labour has claimed at every election that the Conservatives will privatise the NHS, but we have not. It is dishonest and misleads the public, worrying them unduly, and distorts the view of young people who do not yet have years of experience of Conservatives consistently putting more money into healthcare. I am therefore glad that the Prime Minister has given the Secretary of State the additional responsibility of social care, because every grown-up politician knows that we cannot sort out the problems of the NHS without also working out how to get people out of hospital in a timely fashion and into proper support in the community. Our attempts to tackle funding issue were discredited at the general election when our policy was characterised as a dementia tax, which shows that no party will crack the problem on its own without cross-party determination. I therefore challenge the Labour party to give up the vote-harvesting approach to the NHS and to support a royal commission on health and social care for the sake of everyone who needs it.

2.37 pm

Imran Hussain (Bradford East) (Lab): Time is short and many hon. Members want to speak in this important debate, so I will get straight to my points. There is no doubt that the recent winter crisis is the result of the Government’s chronic underfunding of our health service. I know it, Opposition Members know it and, most importantly, the public know it. Even the Government know that the crisis is down to the underfunding that has happened while they have been in power, so why are they doing nothing serious about it? The answer is simple: they are doing nothing because they just want to push their ideological agenda of privatisation.

The Government know that hospitals must still provide services, and hospitals are forced to put many contracts out to tender under the Health and Social Care Act 2012. The Government know that, willing or not, hospitals will eventually have to turn to private companies that can provide services to the NHS at cut-price rates. One example of that back-door privatisation is currently happening at hospitals serving my constituents. Bradford Teaching Hospitals NHS Foundation Trust has been
forced by Government-imposed budget restraints into planning to set up a private company to provide services that are vital to the people of Bradford, and that private company will actively seek to make a profit. Just let that sink in for a moment—hospitals are setting up private companies with the intention of making a profit for the hospital. That is how bad it has become, with hospitals needing to supplement their funding through whatever means possible. It is a slippery slope from here towards ever increasing privatisation and private company involvement in the NHS. Hospital trusts are services, but this Government are turning them into businesses.

Privatisation will not save the NHS from the ruin that the Government have eagerly forced upon it. The only way that private companies will be able to offer cut-rate prices is by cutting the employment rights of staff and cutting corners. That will not prevent another winter crisis; it will only encourage one, with private companies putting the safety of health services at risk. I am very concerned that the private company being established in Bradford will put safety at risk by lowering the rigorous hygiene standards, by cutting cleaners and slashing cleaners’ hours. Healthcare services should be provided by the best operator, which in almost all cases is the NHS itself, not the lowest bidder.

The Government need to recognise that the public will not thank them for privatising the NHS, because that will not solve the crisis in our NHS—only proper funding at the level the NHS says it needs will do that. We have to ask whether the Government want to be thanked by the public and their plans for the NHS are in the best interests of the public, or whether they want to be thanked by big business and their plans are in the best interest of big business. This crisis makes it clear to me which one it is.

2.41 pm

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): It is a pleasure to follow the hon. Member for Bradford East (Imran Hussain).

It is depressing to hear the Opposition laying into the NHS, which is an extraordinary group of real people working day in, day out to look after all our constituents when their health needs to be supported and mended. I commend all the staff across Northumberland’s healthcare family who have worked so hard not only over the past few weeks but 365 days a year to look after all of my constituents.

Much can be achieved through good planning to pre-empt the winter health crisis, as it is known, and the increased impacts that winter brings. I have an unfair advantage in Northumberland because Northumbria Healthcare NHS Foundation Trust has been led and built into what it is now under the great auspices of Jim Mackey, whom we lent to NHS Improvement for a couple of years to try to share such skills across the whole NHS. It is lovely for us to have him back, so I thank Ministers for sending him back up to Northumberland.

As a result of 15 years of intelligent planning by senior leadership, we have had no blanket cancellations in Northumberland, and we have an unchanged schedule except only for specific cases. No clinically time-sensitive operations will be cancelled, and most operations are carrying on as normal. In November, the trust decided to transfer one surgical ward to general medicine to ensure greater capacity—thinking ahead to the regular changes that winter weather tends to bring.

We have almost no delayed transfer of care in Northumberland, thanks to the sophisticated planning set in motion by Jim Mackey and his team some years ago, working directly with Northumberland County Council so that our social care and our healthcare work hand in hand. It works, and we are doing it in Northumberland. I urge every MP to encourage their councils to build that relationship, because it genuinely works. I also continue to encourage the Government to make sure our accountable care organisation is one of the first to be signed and sealed so that our holistic healthcare family works for patients.

Flu hit the north-east first, but we are functioning and coping well. Our statistics are good, with bed occupancy at 91%, and yesterday we met our A&E waiting time targets in 95% of cases. Our nursing vacancies are at a historic low of only 1%, again thanks to planning and a positive recruitment campaign in specific staff group areas where we knew there would be shortages. As a result, our nursing agency usage in Northumberland is very low.

Nothing is ever perfect, so I continue to raise the thorny local issue of community hospitals, where our bed provision is currently lower than it should be. Increased provision would help to relieve pressures caused by delayed transfers of care by ensuring that there is support for those who have a level of vulnerability and who cannot, or should not, go home straight from the acute hospital environment. In a rural patch, community nurses cannot practically provide such support in the way that it could be provided in an urban environment. Community nurses just cannot get to as many places in a day when they have to travel miles and miles between patients. The community hospital framework must be part of the new bigger social care model.

I thank both the Prime Minister and the Health Secretary for fighting to bring healthcare and social care together in one place, because that will start to do what we already see in Northumberland. I would like every MP to be able to tell the same positive story in the months and years ahead.

2.45 pm

Paula Sherriff (Dewsbury) (Lab): Here we are again discussing the latest winter crisis in our NHS. I stood here last year and spoke of the horror stories I had heard from my constituents and ex-colleagues of hospital staff working their fingers to the bone and doing the jobs of two, three or even four people, often without food, breaks or even time to go to the toilet. Yet, 12 months on, here we are again with many of the same challenges and none of the fixes promised by this Government.

I join my parliamentary colleagues in expressing a huge thank you to each and every one of our hard-working NHS staff—doctors, nurses, receptionists, cleaners, porters, radiographers and everyone else, I often speak of our public sector heroes, and today is no different. Thank you from the bottom of my heart.
I express a special thank you to the paramedics who rushed my father, my dear dad, into hospital on 28 December. My gratitude is infinite.

Last year, the Government said the winter pressure was due to more patients being seen by the NHS. That figure is rising year on year, so why have the Government not put sufficient resources in place to deal with it? The Health Secretary previously said there are far more doctors and nurses in our NHS than there were seven years ago. In my area, the Mid Yorkshire Hospitals NHS Trust currently has 230 nursing vacancies, compared with 110 last year, with nursing numbers across the trust down over the same period from 1,752 to 1,607. That picture is somewhat different from the one painted by the Secretary of State, who has used figures that the Library says should be “used with caution” as suggesting “Changes in the number of staff can sometimes reflect organisational changes and changes in the structure of services, rather than genuine changes in staffing levels.”

Indeed, staffing levels are so low at Mid Yorkshire Hospitals NHS Trust that the Care Quality Commission has deemed it to be a risk to patient safety.

My colleagues and I were heavily criticised during last year’s debate for asking the Government to spend more money, and once again we hear the same criticism this year. Will they tell us what the solution actually is? We need more nurses, and obviously there are training implications, but more money is needed to pay for them, and it is the same with doctors. There needs to be less bed-blocking, and more money is needed in social care. It is only right that serious questions are asked in this House when the Budget gives more money to pay for Brexit than to pay for our NHS.

The sad reality is that NHS deficits are rising astronomically across the country, with multimillion-pound shortfalls being recorded and balancing the books becoming impossible for most trusts. The £350 million made available in the Budget is no more than a drop in the ocean, and it has been proved over and again over the past few weeks that the money does not even scratch the surface.

And what of the cost of cancelled operations, both to trusts and especially to patients? People are being left in tremendous pain and at significant risk as a result of cancellations. I know of one man who is waiting for an operation to close his skull following life-saving brain surgery earlier this year. The surgery itself is not classed as urgent, but until it is completed, he is at increased risk of death should he bang his head accidentally. As a result, he rarely leaves the house and has to wear a helmet at all times. Another person who contacted me is waiting for a new knee. He is in excruciating pain and is unable to move around unaided. He has been on sick leave for three months and is suffering severe financial hardship as a result of loss of earnings.

As well as the accounts of cancelled operations, both to trusts and especially to patients? People are being left in tremendous pain and at significant risk as a result of cancellations. I know of one man who is waiting for an operation to close his skull following life-saving brain surgery earlier this year. The surgery itself is not classed as urgent, but until it is completed, he is at increased risk of death should he bang his head accidentally. As a result, he rarely leaves the house and has to wear a helmet at all times. Another person who contacted me is waiting for a new knee. He is in excruciating pain and is unable to move around unaided. He has been on sick leave for three months and is suffering severe financial hardship as a result of loss of earnings.

As well as the accounts of cancelled operations, in recent days I have heard stories from local hospitals of six patients being squeezed into four-bed bays with no curtains and no dignity, no lockers and no bells. Patients are being given hand bells or are told to ask the patient next to them to ring the bell should there be an emergency. Patients are being placed in store cupboards, as we heard earlier. It has now become almost the norm at this time of year.

Andrew Selous (South West Bedfordshire) (Con): Like many Members, I wish to start by paying tribute to our primary care staff—the GPs, practice nurses, receptionists, community staff and district nurses; all those working in acute trusts in my local hospitals; mental health staff; social care workers; ambulance staff; and of course the volunteers, to whom we owe so much. They are a team, and any part of the NHS is weaker if one part is weaker, which is why I hugely welcome the change in the Secretary of State’s title, whereby we now have Department of Health and Social Care. That is a long overdue move, but we should all welcome it.

At my local Luton and Dunstable University Hospital NHS Foundation Trust, the increase in activity in recent years has been phenomenal: 83,000 more people were seen in under four hours in A&E in 2016-17 than in 2009-10; and 17,000 more operations and 46,000 more diagnostic tests were carried out in 2016-17 than in 2009-10. I pay tribute to the enormous amount of work. There are 166 more hospital doctors and 224 more nurses there now than in 2010. All that is welcome, as was the £1.116 million of extra winter pressure money put in.

I have spoken to the director of operations at the hospital this morning, and she told me that it was the busiest new year we have seen in a long time and that this situation had started two days before new year and gone on until this weekend. She said things have returned to a more normal basis now, although there are a number of contingency beds open there, things are nothing like they were over the new year period. I pay tribute to the extraordinary way in which they coped with very difficult circumstances.

I received a letter on Monday from the East of England Ambulance Service NHS Trust, which said that on an average day it receives 3,000 calls but that on new year’s day, it received 4,800 calls. I defy any ambulance trust in the country to be able to cope with that significantly increased number of calls adequately. Indeed, I understand that on the days before and after the number of calls was also topping 4,000 a day. Our constituents want us to tell it as it is, and I received an email from a practice manager in one of my local surgeries saying that on 4 January there was a six-hour wait for a blue light ambulance. Just as the Prime Minister apologised, I would absolutely want to say, as a Member of Parliament, that I am not satisfied with that situation and we have to try to do better, notwithstanding the heroic efforts made.

We have committed to train 25% more doctors and 25% more nurses, and I hugely welcome the new nursing associates and nursing apprentices. What are we going to do, however, to put the NHS on more of an even keel? Let me briefly suggest six areas where we can make progress: first, it is unacceptable that nearly 10% of NHS England’s budget goes on type 2 diabetes; progress on tackling obesity is vital; more progress on the Getting It Right First Time scheme, which is saving billions for the NHS, will help; I make a further plea to the Treasury to make sure that we stop GPs leaving—those on the old pension scheme are disfavoured by the tax treatment and we have to drive through the sustainability and transformation partnerships to really integrate health and social care.
2.53 pm

**Dr Paul Williams** (Stockton South) (Lab): Thank you for giving me the opportunity to speak in this debate, Madam Deputy Speaker. I have worked in the NHS since 1996, as a doctor, in hospitals, as a GP and as a commissioner of services, and I must say that it feels as though we are going back to the ’90s at the moment, with long waiting times. Even before this unprecedented decision to suspend operations for a month, we were already breaching 18-week targets in many trusts. From a patient point of view, it feels as though the standards are deteriorating, particularly in my constituency, with the difficulty people face in accessing an ambulance when they need it.

I wish to share two insights into the problem and two potential solutions. My first insight is that, no matter what Ministers say, some of this is about the money. We have seen an anaemic level of growth in NHS funding in the past eight years. As we have heard from others in this debate, we have also seen cuts to social care funding and to public health budgets. We have also had a long-standing underinvestment in prevention, general practice and out-of-hospital care, although I appreciate that that is being reversed now. The money that came in the Budget was too little, too late. It is hard for commissioners and providers to spend that money when they get it at the last minute, because they have to get people to come in to do the work to spend that money. Had the money come earlier, we would have been able to put in place much better contingencies.

As well as this situation being about money, it is also about having the wrong strategy. There has been planning for reactive services, but at the same time we have been cutting prevention. We have been doing planning for healthcare services, but not enough planning for social care services. We have also been planning by giving this emergency injection of cash to acute hospital services, but while we have been cutting, prioritising and fragmenting community services. We have seen 5,000 fewer community nurses and a 45% reduction in the number of district nurses since 2010.

What do I suggest should happen now? We need to change the strategy. We cannot just respond by providing more and more acute hospital beds. We need to focus on prevention; on having good-quality community services, community nursing, social care; on having better palliative care, because most people want to be able to die in their own home, not in hospital; and on having more emphasis on screening. We also need to focus on poverty reduction and tackling deprivation, as people living in poverty are much less likely to access prevention and much more likely to be acutely admitted to hospital. I include in that people with mental health problems—the most vulnerable people.

Integration is the right direction of travel, but we have to change some things about how it is being achieved, the first of which is the name. Calling these organisations “accountable care organisations” leads people to think that this is an idea captured from the United States. We might call them “public health boards”—something that puts the needs of populations at the centre of healthcare and of healthcare planning. We need to make sure that the leadership teams of these organisations are focused on out-of-hospital care and not just providing more and more acute hospital services.

There is also a fundamental contradiction to address, because we still have section 75 of the Health and Social Care Act 2012, which mandates competition, yet we are trying to get organisations to collaborate.

So it does not have to be like this—it is not inevitable. Huge praise must go to the staff, and I myself have done shifts over the short recess. With the right type of investment, the right preventive strategy and proper collaboration, uninhibited by competition, we can do better.

2.57 pm

**Dr Andrew Murrison** (South West Wiltshire) (Con): It is a great pleasure to follow the hon. Member for Stockton South (Dr Williams), who qualified in 1996. I have about 10 years on him, and since 1984 I cannot recall a winter when there was not talk of pressure. We have to understand that this is not a new phenomenon. I particularly recall the bad winter of 2009, and the very positive way in which the then Opposition approached it and helped the then Government, in the interests of not politicising and not weaponising this issue. It is pity we have not seen the same thing repeated.

We need to give due credit to managers in the NHS. They come in for a lot of flak all the time, but we have seen a managed process this year and it has taken a great deal of input to make sure we do the best we can to disadvantage patients the least; I pay tribute to that much-maligned group. The only way in which I can see we can make this better is by running a lower bed occupancy rate, which is okay, but has opportunity costs attendant upon it. The reality of doing such a thing, which would avoid the sort of cancellations we have seen this winter, as in any winter, is severe, and I do not think many right hon. or hon. Members would wish to see those things.

That brings me on to the Commonwealth Fund, which was rightly cited by the Prime Minister earlier in response to my question in Prime Minister’s questions. She was right to say that on access, equity, the care process and administrative efficiency—four of the five points the Commonwealth Fund looks at—the NHS does very well. The problem is with the last one, which is clinical outcomes, where we run 10th out of 11, with the 11th being the United States of America, which nobody here wishes to emulate. We do not do well on clinical outcomes—we do not do well on cancer, on stroke or on heart attack—and we need to do something about it. It is no good citing OECD averages. We need to be comparing ourselves with Denmark, Germany, France and the Netherlands, not with the basket of countries included in the OECD.

Where does all that lead us? It leads us to a debate about resources. Having talked about management, which is vital, we need to address long-term resources. I entirely support those who wish planning to be done on a 10-year rather than five-year basis. That is vital, and we must also ensure that we have the necessary funding for the improvements we need to achieve to get outcomes up to the level enjoyed by our peer-group nations in western Europe, not the basket of nations with which we are often erroneously compared. How do we do that? We have to take the public with us and work across party boundaries. None of the decisions that will ultimately be made about the future of our national health service in this, its 70th anniversary year, are
necessarily going to be easy. It is important that we at least try to get some level of cross-party consensus. We can do that by establishing a body that is above politics. The route to which I am drawn is the establishment of a royal commission, with all its problems.

The Merrison commission was the last big royal commission that considered matters to do with the health service. It came in for a lot of criticism, but most of its recommendations, made 40 years ago, were ultimately rolled out into Government policy. With the right terms of reference, such a body would be effective. That seems to me to be the right and proper way to deal with the future, particularly the sustainable funding future of our most treasured of national institutions. I very much hope that my Front-Bench colleagues will listen to the recommendation from the Centre for Policy Studies this week—who think we should set up a royal commission in this 70th anniversary year to consider the future of our national health service.

3.1 pm

Eleanor Smith (Wolverhampton South West) (Lab): It is a pleasure to follow the hon. Member for South West Wiltshire (Dr Murrison).

As a nurse who has worked in the NHS for more than 40 years, I know too well the effects of the winter crisis. Yes, winter is the time when the NHS faces pressures, but the Government have claimed that they were better prepared for this winter crisis, with their national medical director explaining that they had been preparing since last winter. How can that be true when the Government announced that they would postpone non-urgent operations? Not only does that put patients’ physical and mental health at risk, but it creates a backlog of operations, which NHS staff will still have to catch up on.

Unison spoke out about the handling of the NHS only in February last year. It also highlighted the Government’s promise in their manifesto to properly fund the NHS. In their 2017 manifesto, the Government pledged to give the NHS the resources it needs. In the autumn, they also pledged that the NHS would receive an additional £377 million to ease winter pressures, but they failed to disclose the fact that although they are providing funding, they are undercutting that by asking for themselves how the hospital works.

In Oxfordshire, we have addressed delayed discharges of care in two ways, as part of our future planning for the NHS. First, with respect to the hospital in the town of Henley, I have been among those who have been active in trying to achieve the right balance with social care by ensuring that there are no beds in the hospital. There are beds in the neighbouring care home for those people who urgently need to stay, but all the emphasis is on ambulatory care—the treatment of patients in their own home—on which I have worked closely with the Royal College of Physicians. More and more patients now understand that they can get the right sort of treatment in their own homes and do not have to spend time in hospital. The approach has been taken on the best of medical advice and I am grateful to the doctors who have supported it. I invite Ministers to come to see for themselves how the hospital works.

Secondly, we do cross-party work in the county involving all MPs who represent Oxfordshire. I chair the group that has a relationship with the clinical commissioning group, not so much to hold it to account, but to ensure that it is focused on the things on which it says it will focus. One of the CCG’s great achievements is its focus on delayed discharges of care. I shall cite a couple of the figures so that Members will understand the CCG’s enormous achievement over the past year in planning for the better treatment of delayed discharges of care. At the end of December, the number of Oxfordshire patients whose discharge of care was delayed was 96, whereas the number in May had been 181. That is a magnificent achievement, as the number of delayed discharges of care has been almost halved. When Ministers hear about that half, they should understand that it is not a half increase but a half decrease in the number of people whose discharge of care was delayed. That improvement has been achieved by making sure that the right resources are in place for those patients who need them to return home. It has not happened because people are going home without the support that they need.

Finally, on the story in The Times this morning about Churchill Hospital, I have with me a letter from the hospital saying it has not implemented any changes to what I understood was a half increase in cancer treatment whatsoever. I am happy to provide a copy of that letter to the Library so that Members can read it.

3.8 pm

Mike Hill (Hartlepool) (Lab): It is a pleasure to follow that thorough speech by the hon. Member for Henley (John Howell).

On Monday, I asked the then Minister of State, the hon. Member for Ludlow (Mr Dunne), what the Government were doing about the crisis in the ambulance
service. He responded by saying that a new ambulance response programme has been introduced to try to deal with category 1 calls more rapidly. The reality is that two months after so-called improvements were put in place in the north-east, an elderly constituency of mine who collapsed in his own home on new year’s day had to wait 14 hours for an ambulance.

Last week, in the intensive care unit at the University Hospital of North Tees in Stockton, two people died from influenza on the same day. One of them was a constituent of mine. On new year’s eve, I attended the urgent care centre at the University Hospital of Hartlepool and then the ambulatory care unit at Stockton with my son. The car parks were crammed full, the sick were presenting themselves thick and fast, and the ambulances were once again backed up. When will the Government admit that this is not just a winter crisis, but a crisis in our NHS full stop—a crisis of their own making?

3.9 pm

Damien Moore (Southport) (Con): I am really pleased to be able to contribute to the debate. Although the Opposition have, as expected, used this occasion yet again to weaponise our NHS, I want to take this opportunity to praise it and all those who work in it, particularly in my constituency, where the staff at Southport Hospital are professional, dedicated and hard working.

There will always be times when our NHS comes under great pressures, and winter is one of them. That was why, in 2017, the Government and the NHS began preparing for the winter earlier than ever before. Last autumn, the Secretary of State visited my local hospital. He had a meeting with me and the interim chief executive in which we talked through the plans that had been put in place for the coming winter, as well as paying tribute to excellent staff who had worked so hard and continued to do so. Those preparations involved working with a range of partner organisations, including the local clinical commissioning group, the local authority and the emergency services, which provided better joined-up thinking and better care for patients.

Although the deferment of elective operations is never ideal, fewer were deferred this winter than in previous years, which should surely be welcomed. I am certain that the situation will further improve over the coming years. It is important to remember that we have a record of continuous investment in the NHS, even though we have been faced with extraordinarily difficult economic circumstances. The Department of Health’s budget has been protected since 2010 and continues to rise. We can spend more on the NHS only when we have a strong economy, which is something that we clearly would not have under Labour. The numbers speak for themselves: our investment in the NHS will rise from £101 billion in 2015 to £120 billion by 2020. Research from the Nuffield Trust shows that the UK spends well above the EU average.

I must welcome the Government’s multimillion-pound investment in Southport District Hospital over this winter. I was delighted when Southport and Ormskirk Hospital NHS Trust was granted an additional £1.326 million in funding to help to cope with winter pressures. Southport Hospital and the wider health system has prepared earlier and more extensively than ever before for winter this year, with a focus on securing the right numbers of doctors and nurses and increasing bed availability, as well as making sure that there is strong social and community care support available to help to discharge patients from hospital quickly.

The extra funding was announced as part of a £337 million immediate funding boost for NHS hospitals this winter in the recent Budget, which is in addition to the extra £2.8 billion of investment over the next two years. This was, of course, welcome news for Southport patients and residents. We all want to know that the NHS is there for us and our families whenever we need it. I am pleased that the Government have given the NHS extra support at this critical time of year, when cold weather and flu can increase pressures on hard-working hospital staff.

One of my constituents recently contacted me to tell me about the excellent treatment that his elderly mother had received at Southport Hospital over the Christmas period, after she suffered a serious health scare. His mother and his family were unanimous in their praise for the paramedics who brought her to hospital, the nurses who treated her with unparalleled kindness, and the doctors who sought to get her back to full health as soon as they possibly could. His mother said of her treatment that “we couldn’t have asked for more.”

It is my absolute pleasure to put on record their sincere thanks to my right hon. Friend the Secretary of State, whose brief now includes social care. I am sure that he will make a success of that job as he has done in health.

It is ultimately thanks to our strong economy that we can make this extra investment in the NHS. Polls show that the NHS is the institution that makes us most proud—

Madam Deputy Speaker (Dame Rosie Winterton): Order.

3.13 pm

Liz Kendall (Leicester West) (Lab): I am afraid that too much of what we have heard from Ministers and some Government Members has tried to pass off the pressures that we are seeing in the NHS as just what happens every year. I have worked with the NHS for around 20 years, and let me tell Members that those pressures are not what we see every year. Cancelling operations for a whole month is extremely serious. In one week alone, 300 operations were cancelled in Leicester, including for patients such as 80-year-old Kenneth Roberts, who was due to have his hip operation tomorrow. He is in so much pain that he is on liquid morphine and has to use crutches or a wheelchair to get about, and his wife, Jenny, is physically and mentally exhausted, too.

One of the real problems is the absence of any acknowledgement from Ministers of the huge knock-on effect that rescheduling a whole month’s operations will have. It will simply mean that existing patients who are already on the waiting list will have to wait even longer, too, and it will be very, very difficult to bring that list back down. As my hon. Friend the Member for Stockton South (Dr Williams) said, a number of Labour Members have a terrible sense of déjà vu. We remember the 1990s, with ambulances queuing up outside A&E and millions of patients left languishing on waiting lists. I also remember the predictable cries from some right-wing commentators
that the NHS’s time was up and that it could no longer survive as a service free at the point of use. I am afraid that we will see that coming back again all too soon.

The truth is that we are not dealing with the long-term underlying demands on health and care services—our ageing population, and more people living with one, two or more chronic conditions who desperately need more preventive services in the community—and huge technical advances. Yes, the Government talk about that, but they do not understand the scale of the challenges or the response that is required. The truth is that, since 2010, the NHS has had an average annual real-terms increase of 1%. That figure compares with 3.5% historically and 5.5% under the previous Labour Government. On top of that, we have had huge cuts to social care, and the dreadful, wasteful, pointless Lansley reorganisation, which has given reform a bad name. Unless the Government change course, we will see increased rationing as patients are waiting in the NHS, leaving thousands in pain and distress, and increased rationing as a result of eligibility criteria in social care, leaving millions of older and disabled people without any support at all. That is not what the people of this country want.

The Government need to put in place a bold 10-year strategy of investment and reform for both the NHS and social care. They should drop the idea of a separate social care Green Paper—we cannot look at the two separately—and they should heed calls from 90 Back Benchers for a cross-party convention. I am worried about the idea of a royal commission, as that would take too long. We know the options for investment and reform, so we need to get on with the job. I suggest a shorter process of six to eight months to try to get cross-party agreement, particularly on funding for social care. They should drop the idea of a separate strategy of investment and reform for both the NHS and social care Green Paper—we cannot look at the two separately. We need to look at the underlying demands for health and care services, and focus on the service and how it is delivered. My local trusts have done it, and there is nothing for patients or staff. If we continue down that road, when major incidents were declared because we could not take in any more patients, and when patients were cared for in corridors, including cupboards, and left lying on floors on makeshift mattresses. To continue to blame one Government or the other does nothing for patients or staff. If we continue down that route, we will be here not just next year or the year after, but in five, 10 or 15 years’ time.

This is not just about throwing money at the problem. We have heard today that Wales gets 8% more funding per person than the rest of the UK, yet it is also facing pressures this winter. Hospitals there are also cancelling hospital appointments, they have not had patients cancel hospital appointments, they have not had patients waiting in corridors and they have not had ambulances queuing round the block.

That tells me that this is not just about how much money people put into the service; it is about what they do with that money. Let us look briefly at what my local trust has done to stop the crisis which seems to have happened in other parts of the country. NHS staff, including doctors, nurses, porters and ambulance staff, have worked tirelessly throughout, and I pay tribute to them. It is also about the management, and the new management teams in Eastbourne and Brighton have done tremendously well to turn those services around.

It is also about better planning. My local community health trust has seen a 38% reduction in delayed discharges, so going into the winter period, it had an occupancy rate of about 84% in acute hospitals. That was achieved by working together with community services. A major Government or departmental reorganisation is not needed; change can be achieved by working locally, which is what the trust is doing.

This is also about working with social services on social care. Opening up 40 community beds in Newhaven has taken a huge amount of pressure off local hospitals, and both my trusts say that the emergency money provided this winter—nearly £2 million to each hospital trust—has enabled them to keep those beds open. It has enabled patients to be admitted to the acute centre for treatment, and then moved to the community hospital and be discharged safely and securely.

We need to look at capacity. If there is going to be an 11% increase year on year in the number of patients coming through the door, the solution is not just providing more money; it is about looking at the service and how it is delivered. My local trusts have done it, and there is the reason why that cannot happen in the rest of the country. Once again, I pay huge tribute to Brighton and Eastbourne Hospitals.

3.21 pm

Margaret Greenwood (Wirral West) (Lab): The crisis in the national health service this winter is real, and patients and NHS staff are feeling its effects. Thousands of operations have been cancelled, and ambulance crews and patients are waiting in A&E. On one day at Arrowe Park Hospital in my constituency, 26 ambulances, with patients and paramedics, were forced to wait more than an hour just to hand over patients. For 21 days in the period between 20 November and 31 December, we had a bed occupancy rate of over 99%, which is not safe or acceptable. Nineteen per cent. of ambulances that arrived had their handover delayed for over 30 minutes in that period, and 8% were delayed for more than an hour. We have heard of the terrible ordeals suffered throughout the country by patients and NHS staff stretched to the limit. Cancer operations have been cancelled and less serious elective surgery has been postponed until the end of January.
It is estimated that 55,000 operations will be delayed, but there is another crisis in the NHS this winter that deserves parliamentary attention: the Government’s plan to make regulatory changes to facilitate the introduction of accountable care organisations. The Government has failed to provide any time for parliamentary scrutiny of that plan on the Floor of the House. Accountable care organisations and accountable care systems are ideas that have been imported from America. In the US, Government and private insurers award large contracts to commercial bodies to run and provide services. We all know the horror stories of how expensive healthcare is in the US and how people with complex conditions find it difficult to obtain insurance. We hear stories of people with cancer who are forced to sell their home to pay for care. Those horror stories are real, so we all have a responsibility to guard against any introduction of private health insurance models in the UK, which is why we must scrutinise ACOs.

ACOs bring together health and social care so that there is a single finite budget to provide for a specific population. Once that budget has been spent, there is no extra money. ACOs are being developed for delivery in 44 STP areas rather than the country as a whole. It follows that if there is an increase in demand for healthcare in one of those areas—because of an epidemic or a serious accident, for example—the money that is taken out for that squeezes the rest of the system for health and social care.

A great strength of the NHS is that it provides a large risk pool for everyone in England so that they can be supported. Why would a Government who are committed to a national health service choose to replace a large risk pool with 44 little risk pools? It does not make any sense. At the heart of the issue is the serious fact that ACOs are non-NHS entities, so we need clarity from the Secretary of State. We need him to answer serious questions on the Floor of the House. Will ACOs be private companies? It seems logical that they might be, given that the idea has come from America and the Secretary of State considers that the American healthcare company, Kaiser Permanente, provides one of the best examples of practice in integrated care.

If ACOs are allowed to operate, they will be given multi-billion-pound health and social care budgets for 10 years or more. They will blur the boundaries between health and social care, and there is real concern that there will be an increase in the types of things for which people will be asked to pay. An ACO, once established, would have control of a huge budget for an area’s entire health and social care needs, so it would have a huge amount of power to determine what it does and, crucially, what it does not commission.

I have received a lot of correspondence from constituents who are very concerned that the introduction of ACOs is yet another major step towards the wholesale privatisation of the national health service. They have expressed real concern that ACOs could be a means to introduce private health insurance models area by area. That could not be done on a national basis because it would be politically unacceptable. Let us have no more talk about taking the politics out of the NHS. The NHS is a political entity. People need to take responsibility for their decisions around the Health and Social Care Act 2012.
we need an adult, cross-party discussion about the best way; otherwise, whichever option is chosen by the Government of whichever party is in power, the other side will criticise.

As many hon. Members on both sides of the House have suggested, we need to take the politics out of the health service, recognise that the vast majority of patients receive excellent care from the health service, which is doing more than ever, and consider together how we improve the areas that need improvement.

3.31 pm

Dr Rosena Allin-Khan (Tooting) (Lab): It is interesting to follow the hon. Member for Sleaford and North Hykeham (Dr Johnson). I have to say respectfully that I wholeheartedly disagree with her. She speaks of some kind of NHS utopia, but that is not the reality that I have seen on our A&E frontline. I am an A&E specialist and I have worked in our NHS for the past 12 years.

When we look around an A&E department, everything is on display in high definition: people’s pain, fears, courage and hopes; the unfailing dedication, expertise and strength of the staff who work there; and yes, the state of the NHS, which is in turmoil. It is in crisis, which is turning into disaster. From hospitals across the country, we have heard that the problem is not a surface or temporary issue.

The symptoms of the NHS crisis are all connected and multiply into new problems. That is not seen in statistics alone, but it is seen in A&E departments, which are completely overcrowded. People feel forced to come to A&E who should not be there: people who could not get a GP appointment or who had to wait too long for a hip replacement and are now in severe pain. Taken together with the emergency cases—from heart attacks and strokes to road traffic accidents—it is simply too much for the resources that we have.

The reality is stark. Cubicles are full because there is no space to move patients on to wards. The wards are full because our social care system is woefully inadequate and broken. When all beds are full, we see ambulances queuing up outside hospitals. They are full of patients who cannot get hospital care. What do we say to a mother or a father who is in an ambulance with their child, scared and anxious, and has to wait outside the hospital for another hour?

Doctors are too stretched to do the job we are trained to do. We are the recipients of first-class education and training in the UK and we cannot deliver the very thing that we know to be right: to treat the cause, not just the symptoms. There is little time for prevention.

On new year’s eve, when I worked in A&E, we had a teenage girl who fainted. We treated her and spent time talking to her, but we pride ourselves on being able to find root causes: is there an underlying eating disorder or is she being bullied at home or at school? To have those conversations, we need to build trust, which takes time. If we do not do that, the patient is more likely to return, sometimes in pain because their operation has been cancelled. A teenager who faints at school might need to be part of child and adolescent mental health services. That all places a burden on our already stretched NHS. It will not change until this Government decide to live up to their most sacred duty: the protection of the health and security of us all. The NHS is underfunded and overwhelmed.

Rosie Duffield (Canterbury) (Lab): Does my hon. Friend agree that desperate patients should never have to resort to smuggling out secretly filmed footage of trolley-lined corridors with people sitting on the floors, such as the footage I have received from my constituents visiting and working at William Harvey Hospital in Ashford?

Dr Allin-Khan: I agree that it is deplorable that patients should feel that they have to do that. The historic underfunding of the NHS is not an economic necessity; it is a political choice made by this Government, which is why they will not change their direction to protect us.

So, what must we do? We must change the Government. Until we do, the NHS will continue to crumble around its heroic staff, who will carry on giving their all; I am honoured to stand alongside them. We see their work not in the headlines, but in the most harrowing, important and joyful moments of people’s lives. As NHS practitioners, we cannot always change the outcome; but with time and resources, we can change the journey. It is time that we see a change in our A&Es, our hospitals and our Department of Health.

3.35 pm

Simon Hoare (North Dorset) (Con): It is a pleasure to follow the hon. Member for Tooting (Dr Allin-Khan). For what it is worth, I thank her, my hon. Friend the Members for Lewes (Maria Caulfield) and for Sleaford and North Hykeham (Dr Johnson) and other medical colleagues who have spent time working in our service over this period, looking after constituents. Their public service is second to none. I also thank my hon. Friend the Member for Ludlow (Mr Dunne) for the work that he has done within the Department, and I welcome the new team. I also echo many colleagues from around the Chamber—across parties and from all geographies of the country—in thanking NHS staff, ambulance drivers, paramedics and those who work in our county social services, all of whom are trying to play a part.

I am going to be distracted slightly, because I am going to take strong issue with the peroration of the hon. Member for Wirral West (Margaret Greenwood), who said with full Momentum fury, “The NHS is a political entity.” I say to the hon. Lady, with the greatest
of respect, that it is not. The national health service is a
publicly funded service, free at the point of use, which
is populated and staffed by publicly motivated and qualified
public service medics and others, who look after our
constituents and their health needs. They are not politicised;
they are motivated by care. [Interruption.] Rather than
chuntering from a sedentary position, I urge the hon.
Lady to sit and reflect on her words, because her
comment was one of the most dispiriting remarks that I
have heard during my time in this House. While she is
reflecting on her comments, she might also wish to
reflect on the fact that, whenever the Treasury writes
another cheque for the national health service—I am
sure that practitioners will appreciate this—it always
has to take into account the £2 billion a year private
finance initiative albatross bequeathed by the Labour
party.

I want to draw the attention of the House, as I did
during the statement on Monday by my hon. Friend the Member for Ludlow, to the importance of bedded
community hospitals. Dorset CCG, under the leadership of Tim Goodson, has listened to our community campaign and has saved the beds in Westminster Memorial Hospital in Shaftesbury. In my judgment, the provision of those beds is absolutely pivotal in providing the link between the acute sector and people making their journey to recovery and then being on their way home. The collaborative work between the NHS and Dorset County Council—where there are social care officers with computers that are interlinked with and embedded within Westminster Memorial Hospital, working out the discharge care programmes—is pivotal. I appreciate that what we are doing in Dorset is not unique, but I also appreciate that it is not replicated everywhere; it does merit attention.

We should be focusing on far better advertisements for the use of our pharmacies, and we should ensure that community pharmacies are a much more collegiate network of service provision, taking pressure off GPs and A&E departments. I urge the Minister to ensure that CCGs are better encouraged to make sure that their boards include a representative from the pharmacy community. This siloed approach does not help the provision of care for our constituents.

3.39 pm

Rachael Maskell (York Central) (Lab/Co-op): I am pleased to follow the hon. Member for North Dorset (Simon Hoare) because I, too, want to touch on transitional healthcare.

Before I do so, I want to acknowledge the incredible, amazing, professional care that is provided across our healthcare service. We all agree that the love and care that is there is incredible. However, there are clear challenges, and we note those too. We have heard so much about them in the evidence provided today. This is not just about the long hours and the complex challenges that are placed at the door of health professionals. It is about the stress of not having the additional conversation that you need to have, the stress of not being able to treat somebody as a whole person but only being able to focus on the acute situation before you, and the stress of trying to keep somebody alive as their respiratory condition is deteriorating but you cannot get the doctor down because you know they are caring for someone in an even more acute situation. I know; I have been there. I have worked in acute medicine for 20 years, and I know very well what has happened over those 20 years. I agree with hon. Friends who hark back to the 1990s, when, as today, our NHS was in a terrible state. It did improve when Labour put the investment into the NHS, and we cannot deny that finance is at the heart of what is happening.

Bed occupancy is an issue for my local trust, which has faced a real crisis in acute care over this winter. I commend it for all it has tried to do to avert the situation, but we have had multiple days of 100% capacity in our acute medical facilities. The council has closed care homes. The trust has closed a transitional care unit. We have an empty hospital adjacent to our acute hospital, sitting on land that NHS Property Services is going to flog off as opposed to seeing how it can invest in better care for the people of my community. We need to really invest in the facilities that we need for the future, particularly around transitional care. We should have a complete review of what is needed with regard to the NHS estate.

The influenza outbreak this winter has had a more serious impact in York than across the rest of Yorkshire and has been one of the worst in the country. That has had a real impact on staff as well as the acuity and volume of patients coming through the door. On top of that, we have had norovirus and DNV—diarrhoea and vomiting. This is all putting challenges into the system.

We absolutely must have a coherent public health strategy as we move forward. We know that there is social inequality in who gets access to inclusions. We also need to make sure that we lay out a proper strategy. That is not happening. The fact that public health is separated off from acute health is a barrier. We need to draw them together to make sure that we have a proper public health workforce in the community.

I want to touch on funding. Our trust is in the capped expenditure process. I am still waiting for a meeting with the Minister to discuss the impact of that. The trust does not have the flexibility and the resources that it needs, and that is having a serious impact on the health crisis we are seeing in York. We need to move the situation forward to make sure that we have the resources where we need them.

At the moment, the NHS is really sick. When patients are sick, they need solutions. I trust that we will start hearing solutions from the Government.

3.43 pm

Jeremy Lefroy (Stafford) (Con): It is an honour to follow the hon. Member for York Central (Rachael Maskell). I entirely agree with her about being very careful before the NHS sells off property or land for non-health uses. There is a reason why our health facilities are in the places they are, and they could be better used for things like intermediate care.

I had the honour of visiting County Hospital in Stafford on Christmas day, and I saw the wonderful care being provided there. County Hospital is of course the Stafford hospital, which went through the Francis inquiries and the trust’s special administration. I just want to pay tribute to the staff there, who have done an amazing job in bringing the hospital up to the standard it is now at. We want more services put back into that
I want to talk about the 2012 Act. Its purpose was to modernise and avoid a future crisis, as well as to put clinicians at the centre of commissioning, free up providers to innovate, empower patients and give a new focus to public health, and it has categorically failed on all counts. Does the Act matter to patients? All reorganisations take people’s eye off the ball, but this one has been in an altogether different league. Long-standing problems have persisted and necessary changes have been put on hold as managers try to put back the infrastructure that was so wantonly destroyed by the Act.

In my constituency, South Bristol Community Hospital, a long-awaited community hospital, serves an area of very high health need. It is intended to support those with chronic illness in the community and to work with GPs, as well as to provide an urgent care centre and access to therapies. Much has been achieved by those on the frontline in the hospital, but it falls between five NHS bodies.

This week, a constituent highlighted a problem after she was told that her appointment had been cancelled because the person it was with was no longer in post. She persevered with the booking, but it was not possible to tell her whether another appointment would be forthcoming. I have taken the matter up on her behalf, but I have to write to three different people to try to find an answer. Colleagues know that is the situation across the piece.

No one body is assessing health needs, talking to the local population and ensuring that services meet those needs and are reversing health inequalities, so how do we move forward? My strong view is that we should not be talking about the superstructures or the money, although the money is important. We are at a critical point. We have had centralised planning and control. It did not work, ultimately, and the era of the market and competition is also not working. We need now to put accountability at the very heart of the system.

Accountability can be a key driver of change and improvement, and it is vital in a functioning democracy. All the bodies involved spend taxpayers’ money, but no one understands who is responsible and who is accountable for how they spend that money. That includes us in the House; we are also mystified.

Local MPs are expected by their constituents to stand up for local services, ensuring that there are enough resources, and to be able to make a difference when things go wrong, but we have no role locally in how the mandate is delivered or in the alignment of the voted national budget with local delivery. Critically, neither do local people. They do not understand how their national taxes relate to the local service.

We are pivotal in helping with that understanding. Local managers should be supported in sharing the great work that they do, but they also need to share the realities of cost and quality with MPs and local people so that we are all well informed. However, that will happen only if national leaders are supported when they fulfill their duty of candour and speak out about the reality of choices, which national leaders have done.

It is no secret that the money the NHS is allocated is insufficient to do all that is promised in the NHS constitution, to the quality that we expect. It is also well evidenced that we have the most effective and efficient service in the world, with productivity outstripping other sectors of our economy. So on behalf of our
[Karin Smyth]

constituents, we should be putting the public centre stage, considering how to actively improve the NHS and understanding what the money can deliver. We have to give patients and the public genuine influence over decisions affecting the care that they, their families and their communities receive, and the responsibility that goes with that influence.

Being able to follow the money is a key part of accountability. We should all be part of that to help to inform the next stage in the development of the NHS.

3.51 pm

Rebecca Pow (Taunton Deane) (Con): There is no doubt that the NHS is under unique pressures, with demand going up every year, especially in a county such as Somerset, where we have an increasing ageing population. Somerset is a great place, but many people retire there, which increases the problem.

First and foremost, I want to thank all those working in the NHS in Taunton Deane. The extra £435 million invested in the NHS to deal with winter pressures is to be welcomed, as is the new forward planning. While it is not desirable to have an operation cancelled, the more notice one can have of that, the better. I referred to that earlier; I have personal, family experience of it. Without a doubt, having notice definitely helps.

I shall focus on A&E in particular. The A&E department at Musgrove Park Hospital in Taunton, which is Somerset’s main hospital, has seen 68,000 people through its doors in the last year, which is a huge increase, but there are nine consultants working there and there is 24-hour senior cover. I contacted the chief executive just this week for an update on how the hospital is doing. He reports that it has been extremely busy and that there has been record demand. That has had an impact on waiting time, but the staff in that department and in hospital more widely, as well as the wider community, have been fantastic in their response, often going above and beyond.

There has been much talk today about adequate funding for our health services. While that is important, it is also important to get the right management structures in place. In that respect, I want to highlight and praise Dr Cliff Mann, a senior consultant at Musgrove Park Hospital in the emergency department. He has just been awarded an OBE for his services to emergency medicine. During his time as president of the Royal College of Emergency Medicine, Dr Mann lobbied the Government to get changes in staffing and worked hard around education in A&E. He devised a special A&E hub, which is an excellent model. It is working really well at Musgrove and ought to be rolled out further. It brings together in the emergency departments primary care; 24/7 support for mental health issues; a seven-day, 12 hours a day community pharmacy, and a seven-day, 14 hours a day in-house frailty team. I believe that model is working.

To touch on equipment at Musgrove Park Hospital, it is still dealing with a pre-1948 intensive care unit and theatres. There have been redevelopment plans since the 1980s, and we are still waiting. In the autumn Budget, the Chancellor announced a welcome £3.6 billion investment in capital projects of that sort, and I make no bones about fully supporting the campaign to get new theatres at Musgrove. I know many people who would benefit—indeed, members of my own family have recently been treated at the hospital. There is a top-class team working there, producing excellent results, but those staff deserve new and better facilities. I believe Musgrove Park is the only hospital in the south-west without updated theatres, so I ask Ministers to support it.

I applaud the linking of social care with health. That is essential. Somerset County Council faces a very difficult situation in social care, so any help will be welcome. If the council got into the next pilot of retained business rates, that would help its funding and finances, and therefore its efforts on social care.

I applaud the Government for their action this winter. Things are much better. There is always more to do, but this Government are right behind the best health service in the world.

3.56 pm

Laura Smith (Crewe and Nantwich) (Lab): I start by paying tribute to the incredible staff working in our NHS. Keeping the nation fit and healthy is a noble calling. They make the NHS what it is—a national treasure—and they ought to be proud. Many participants in today’s debate know someone who might not be with us today, or whose quality of life would be significantly worse, had it not been for the NHS.

I would like to take this opportunity to pay tribute to Elle Morris, an 11-year-old cystic fibrosis sufferer and friend in my constituency, who sadly lost her fight last week. Elle’s family have expressed their thanks to the NHS workers who looked after Elle with such love and care right until the end, and supported her parents, Becky and Ian, and her sister Cara. Elle was a pioneer of raising awareness of cystic fibrosis and opt-out organ donation, and I speak on behalf of Crewe and Nantwich in saying how much she will be missed and how proud of her we all are. Breathe easy, Elle.

Everyone has quoted the facts and figures relating to the debate, and I will not repeat them. We all treasure the NHS, and it needs to be funded. My constituents do not want the Prime Minister to apologise for the NHS crisis. They want the Government to act and to resolve the crisis. By rewarding the Health Secretary, the Prime Minister will have sent a clear message about her vision of the NHS. Conservative Members have an opportunity to prove that theory wrong by supporting the motion, which calls on the Government to increase cash limits for the current year, allowing hospitals to resume a full service to the public. Actions speak louder than words, and today we will discover whether the Prime Minister’s apology was sincere.

3.58 pm

Huw Merriman (Bexhill and Battle) (Con): It is a pleasure to follow the hon. Member for Crewe and Nantwich (Laura Smith) in this important debate on the NHS and the challenges that, unfortunately, it tends to face in winter. We should bear in mind that, for decades, winter has given the NHS challenges to meet, and as a result, clinicians have been asked not to take time off in January. Last Friday, I spent time with a GP practice, where staff confirmed that the flu epidemic is one of the worst they have seen for many years.
From the perspective of patients, it is wrong that those who have waited months for surgery—perhaps routine, but for a condition that has an impact on their lifestyle—have been told that it has been cancelled. We need to change, but I believe we need to change the entire structure. It is all very well and good for the Opposition to write cheques that they know would bounce. What we have to do is reform the NHS within the resources available. We also have to consider the impact of the ageing population and the challenge—which we embrace, of course—of looking after them. In the last decade, 17% of this country’s population was over 65; in the present decade, the proportion rises to 20%; and in the next decade, it will be 30%. That might be why the number of hospital admissions has risen by 40% over the past 10 years. I am delighted therefore that the Department of Health is now responsible for social care, and particularly reform to it; that is long overdue. We need a cross-party approach. I am aware that every governing party tends to say that, but I would ask Opposition Members to please rally round. There are some great ideas that we can all get around.

I want to focus on the pressures facing GP surgeries and the pressures that puts on our hospitals. Too many patients are going to A&E because their GP surgery is not there for them. I spent some time with a GP who had just returned from visiting a patient he had made comfortable at home. He pointed me to another area my hospital trust covers where that patient would have been put into hospital for some weeks, which would not have been good for the patient or all those other patients waiting for their care. We have seen huge demand from the elderly. I am still greatly concerned that the social care system is set up on a local authority basis. Many local authorities to which people retire do not have the same business rates as other areas—they have a lot of elderly folk but not the business to fund them—and certainly not as much council tax. In looking at reforms, I would like the Government to consider putting social care on the same footing as the central NHS.

Kevin Foster (Torbay) (Con): Will my hon. Friend give way?

Huw Merriman: Will I not, I am afraid, because of time. I am sorry.

I would like to see more powers given to CCGs, or perhaps a tier above, to enable them to intervene where GP surgeries are not functioning as they should be. At the moment, there is no sharing of data, so CCGs cannot see where surgeries might be about to fall over. We expect CCGs to intervene and take over when things go wrong, but that is often too late, so I would like to know if more taskforces could be put in place. It is clear that the GP model that we have continued with since 1947 is not the GP model that younger GPs want to buy into: they do not necessarily want to buy into the practice model, are concerned about litigation and do not necessarily want to stay in the same place for all those years. We need great reform, therefore, and I add my support to the voices on both sides of the House saying that perhaps a royal commission is the way to take this forward.

4.2 pm

Mohammad Yasin (Bedford) (Lab): I will concentrate on my main point in the 90 seconds being given to me.

NHS staff have said that this winter crisis was predictable and preventable. Bedford Hospital NHS Trust was one of the 24 trusts that issued a warning saying they were at full capacity. Patients, including many elderly and frail people, are routinely stuck in the back of ambulances in logjams waiting to get into A&E. The NHS is coping with an increase in demand, while being severely underfunded. We have also learned that Bedford walk-in medical centre in Putnoe is now under threat. Some 40% of our walk-in centres nationwide have closed under the Tories since 2010. Commissioners take decisions in response to budgetary constraints and cut services that are on the face of it costly to provide, but the human costs of such cuts are catastrophic, especially in places such as Bedford, whose hospital is already struggling to cope.

I finish by thanking all the staff who worked hard over Christmas and gave their time, when they could have spent it enjoying time with their families.

4.3 pm

Justin Madders (Ellesmere Port and Neston) (Lab): We have heard some excellent contributions today. The depth of the crisis is reflected by the fact that no fewer than 38 Members put in to speak, and although we only managed to hear from just over 20 Back-Bench Members, they were from all four corners of England. Owing to the time constraints, I cannot refer to them all, so I will just pick out a few, particularly from those still working in the NHS, such as my hon. Friend the Member for Stockton South (Dr Williams), who said it felt like we were going back to the 1990s and that it did not have to be like that—this decline is not inevitable. I totally agree with him on that.

We also heard from my hon. Friend the Member for Wolverhampton South West (Eleanor Smith), who brought her 40 years of service in the NHS to the fore and made the valid point that cancelling operations now creates a backlog, which will cause problems later on. We know that many trusts are already failing to meet their 18-week target.

Perhaps the most compelling contribution was from my hon. Friend the Member for Tooting (Dr Allin-Khan), who worked in A&E over Christmas. She was absolutely right to say that many people attend A&E because they are not getting the treatment that they need from elsewhere in the system, due to a squeeze on funding. She also made the valid point that many people are not being discharged as quickly as we would like because of massive cuts to social care over the years. Her contribution was excellent, and she made the point that these conditions have arisen not by accident, but because a political choice has been made.

After two years in which the A&E target has been missed altogether, we now know that waiting times shot up in recent weeks. Some hospitals cannot see even half their patients within four hours at A&E. The Secretary of State knows a little about waiting: there was a gap of an hour and 42 minutes between his entering No. 10 on Monday and confirmation that he was continuing in his job. Perhaps he was left waiting in a corridor. I hope that he was at least offered a chair. He would have to double that time, and double it again, to begin to appreciate how long some patients are having to wait, often in great discomfort and pain.
Following the reshuffle on Monday, the Health and Social Care Secretary has had a rebrand, but if it took him over five years to work out that his actions might have some bearing on social care, how much longer will it be before he learns that the message that he hears about underfunding in the NHS is so consistent because it is true? How long before he realises that, on his watch, standards have deteriorated by almost every measure? How long before he realises that the decisions that his Government have taken have led to the litany of woe that we have heard today?

Andy Slaughter (Hammersmith) (Lab): I do not know whether my hon. Friend has seen that an emergency consultant at Charing Cross Hospital has said that staff were practicing “battlefield medicine” there. By that, he meant that when a blue-light ambulance arrived, staff had to decide whether to take someone out of the resuscitation room to put the arrival in, or to leave the arrival in the corridor until a bed space was free. That same hospital faces losing all its emergency beds and its blue-light A&E. Does he agree that we have to rethink further reductions in beds and A&E capacity, given the crisis that we are in?

Justin Madders: I thank my hon. Friend for his contribution. He is absolutely right. Those working on the frontline have made many statements about just how acute the problem is. Bed numbers have dropped rapidly in recent years. The worry is that under STPs, even more beds may be lost.

The Health Secretary today denied there is a crisis, but he admitted it on Twitter, where he asked of Tony Blair, “does he not remember his own regular NHS winter crises?”

If the House wants to make a comparison with Tony Blair, I will help it: in the last winter under Tony Blair, between October and December 2006, one in 50 patients spent longer than four hours in A&E. In November, under this Health Secretary, one in 10 did.

Of course, behind every single figure is a vulnerable patient who is being let down—a patient like 87-year-old Esme Thomas, who, according to the BBC, waited 22 hours to be admitted to a ward at Weston General Hospital, or the patients at Pinderfields Hospital in Wakefield, who, as we have heard, were photographed lying on the floor, some still attached to drips. If the best that we—one of the wealthiest nations in the world—can offer people who are ill is an uncomfortable metal chair, something has gone badly wrong. What do the Government say to the nurse who told “ITV News” that there had been times when she had spent whole days treating patients in the hospital car park? Those stories should shame the Government into action.

Of course, it is not just those attending hospital who are suffering: so are those who are not able to go to hospital at all: 55,000 operations have been cancelled this month. When asked about this, the Prime Minister said that it was all “part of the plan.” If it was all part of the plan, why were the operations arranged in the first place? This is not a plan; it is a shambles.

The human cost of this crisis is devastating. Even before the worst of the winter had reached us, a one-year-old baby with a hole in her heart had her life-saving operation cancelled five times. Her parents were told that their daughter could go into cardiac arrest during the operation, so I cannot begin to imagine the anguish that they must have gone through in preparing themselves for the operation five times. Or what about the 12-year-old autistic girl from my constituency whose operation to remove her tonsils has been postponed? She has had at least eight bouts of infection in the past year, and because of her autism, the delay to her operation has caused her anxiety. It was a huge deal to build her up for the operation after her pre-operative assessment, particularly given the prospect of spending a night in hospital, but after the cancellation, she is anxious that when she gets her new operation date, that will be cancelled as well. If leaving these children anxious and in pain was part of the plan, it is a plan this Government should be ashamed of.

Across a whole range of indicators the NHS has experienced its worst performance since records began, and that was before we headed into this winter. Let us be clear: I do not for a second hold the people who work on the frontline responsible for this. Indeed, it is only through their dedication that the health service keeps going, despite the best efforts of this Government to destroy staff morale—whether an entire generation of junior doctors alienated, the next generation of nurses deterred from entering the profession by tuition fees, or the thousands of staff up and down the country who are frankly fed up of rota gaps, pay restraints and meaningless platitudes from this Government.

Only this afternoon we hear that the Care Quality Commission is postponing routine inspections, presumably because it knows a winter crisis is on. This is an unprecedented step that sends a huge signal to the Government that this is not just normal winter pressures.

Let us hear from some of those staff working on the frontline. A&E doctor Adrian Harrop said the claims that the NHS had never been better prepared were “misleading, disingenuous nonsense”. He also said: “The system I’ve been working in in recent days and weeks seems under-resourced, underfunded and understaffed.”

Tracy Bullock, chief executive of Mid Cheshire Hospitals NHS Foundation Trust, said:

“I’m 34 years in and I’ve never seen anything like this.”

These are honest, hard-working professionals—the lifeline of the NHS—and Conservative Members know full well we could have repeated dozens of similar comments from NHS staff, because at the bottom of all this is the unescapable, indisputable fact that under this Government the NHS is in the middle of the longest and deepest financial squeeze in its entire history, and it is a squeeze that, as we have heard today, is having devastating consequences.

We warned time and again that, unless early and substantial action was taken, we faced another severe winter crisis, and that is exactly where we are today. We have had an apology but no action from the Government. Patients deserve to know when this crisis will be solved and when their cancelled operations are going to take place, and this country deserves a Government fit to run the NHS. I commend this motion to the House.

4.11 pm

The Parliamentary Under-Secretary of State for Health (Steve Brine): Happy new year to you, Madam Deputy Speaker.
We have had a good debate this afternoon with some well-informed—as the hon. Member for Bristol South (Karin Smyth) put it—contributions from both sides.

The NHS is a service that we are all immensely proud of; we can agree on that. Even during the challenging winter period it continues to deliver overwhelmingly safe and effective care to thousands of our constituents, and we should never lose sight of that. We have heard examples of that today, including from my right hon. Friend the Member for Meriden (Dame Caroline Spelman), who spoke with her usual calm about the triage model she saw working well in her area when she had to go to hospital over the holiday period. My hon. Friend the Member for Stafford (Jeremy Lefroy) was among many Members who visited the NHS over the recess period and he spoke, as well he might, and as well as he usually does, about the safe care he saw being delivered.

As my right hon. Friend the Secretary of State, and before him the Prime Minister, said earlier, we have done more preparation for winter this year than ever before, planning earlier to make sure the NHS is better prepared. More than that, we have put in the money, in the form of an additional £337 million for winter pressures and an additional £1 billion for the social care system this year. As the Public Health Minister, I am proud of our flu vaccination programme, already the most comprehensive in Europe, which has been extended even further. This was planning ahead.

We have also allocated £100 million of capital funding to help hospitals set up GP streaming systems at their A&Es, reaching 91% coverage by the end of November. This, too, was planning ahead; they did not just appear overnight. And for the first time ever, people were able to access GPs nationally for urgent appointments from 8 am to 8 pm seven days a week over the holiday period.

Of course, there were additional pressures this year: very cold spells in December, a sharp uptick in flu and respiratory conditions, and higher hospitalisations from confirmed cases of flu than in the peak of winter last year.

Paul Farrelly: There are also questions about NHS leadership. As the Minister is aware, Staffordshire is under great pressure. The Secretary of State received reports about the closure, with lack of consultation, of community hospitals in our area on 18 October, which slated two local CCGs. Yet a week later the NHS appointed the chief operating officer of those two CCGs to oversee four more in Staffordshire. Will the Minister ask his right hon. Friend the Secretary of State to explain that decision?

Steve Brine: The sustainability and transformation partnerships have been established across England—I am sure that the hon. Gentleman will have engaged with the one in his area—and they take local decisions about how services are organised in local areas. I implore him to engage with his STP; indeed, I know that he is already doing so. If he wishes to talk to me about this, he can of course do so.

Let me respond to some more of our contributors. The hon. Member for Bristol South always speaks sensibly. She spoke about the public representation and involvement in STPs. I agree that we could do more in that area, and as the Minister responsible for STPs, I want to see that we do so. Her point was well made. The hon. Member for Crewe and Nantwich (Laura Smith) spoke about her constituent, Elle, who lost her battle with cystic fibrosis. She speaks up for her constituents well, and very emotionally, and if she continues to do that, she will do extremely well in this House.

The hon. Member for Stockton South (Dr Williams) is a new Member, and I already have a lot of respect for him. In his typically sensible contribution, he made some sensible suggestions for improvement in the NHS. He went on to talk about how we could do better on prevention, and he was absolutely spot on. We all agree that prevention is part of our one NHS. He said that this was not all about money, and I agree. Money is a key part of this, however, and that is why we spend 9.9% of our GDP on healthcare, which is above the EU average.

The hon. Member for Leicester West (Liz Kendall) said that this is not what happens every year, but the NHS is under great pressure at this time every year. A headline from The Guardian newspaper on 27 October 2001 stated “NHS faces another winter of crisis”. The NHS is often under pressure at this time of year, and the important thing is how we prepare for that. As I have said, we are better prepared than ever. It is a shame that the hon. Lady is not listening to my response.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I hesitate to interrupt the Minister, but I do not understand why there is so much noise on the Opposition Benches. I would not be surprised if Members were heckling the Minister, but they are simply making a noise, so the Minister cannot be heard. He is answering the questions that he has been asked this afternoon, and those who asked the questions ought to want to hear the answers.

Steve Brine: Thank you, Madam Deputy Speaker. The Members appear to be heckling themselves.

The hon. Member for Wirral West (Margaret Greenwood) said that the NHS was a political organisation. I totally disagree. The NHS is an organisation run by hard-working people who are public servants. They go to work every day to do a job for our constituents, and the NHS is not a political organisation. The Labour party is a political organisation, and it is politicising the NHS—

Margaret Greenwood: Will the Minister give way?

Steve Brine: I will not give way; the hon. Lady has had her say.

My hon. Friend the Member for South West Bedfordshire (Andrew Selous) spoke about leadership, and he was absolutely right. He knows the Luton and Dunstable University Hospital NHS Foundation Trust, which has been ably led by Dame Pauline Philip. She has achieved 98.6% of patients meeting the four-hour target. That is the kind of leadership that can be achieved, which is why Dame Pauline was brought in to NHS England to help with our national response to winter pressures.

My hon. Friend the Member for South West Wiltshire (Dr Morrison) said that this was all about outcomes and that, on cancer, we do not do well. We have had the best cancer outcomes ever in our country, but I agree that our ambition for the long term needs to be even better and that we need to aim higher. His point on a royal commission is noted.
My hon. Friend the Member for Henley (John Howell) spoke about the out-of-hospital care work that Henley’s hospital is doing. I thank him very much for his invitation. My ministerial colleagues also heard what he had to say, and it was good to hear about the cross-party working that is going on in Oxfordshire. My hon. Friend the Member for Southport (Damien Moore), a new Member of the House, talked about joined-up care and continuous improvement. He reminded us that without a strong economy there is no strong NHS. This is not the Government’s money; it is the public’s money. We need to spend it well, and I think we are doing so.

My hon. Friend the Member for North Dorset (Simon Hoare) spoke about community pharmacies, a subject close to my heart. They play a key part, and better integration of them within the NHS is part of the prevention and primary care agenda. I completely agree with the points that he made. My hon. Friend the Member for Taunton Deane (Rebecca Pow) spoke about the A&E hub at Musgrove Park Hospital. That sounds very interesting indeed, and the new Minister of State, Department of Health and Social Care, my hon. Friend the Member for North East Cambridgeshire (Stephen Barclay), was also interested to hear what she had to say. We would like to come and see it, and we will take her up on her invitation.

Finally, I welcome back my hon. Friend the Member for Morley and Outwood (Andrea Jenkyns) and congratulate her on the birth of Clifford. She spoke very well, as always, about the integration of health and social care, saying that it can only make sense and will only serve to make the preparations for next winter better.

I hope to end this debate on a note on which both sides of the House can agree. We are all truly thankful for the extraordinary dedication of NHS staff in caring for their patients—our constituents—during this extremely challenging time. As ever, they are doing a brilliant job.

Question put and agreed to.

Resolved,

That this House expresses concern at the effect on patient care of the closure of 14,000 hospital beds since 2010; records its alarm at there being vacancies for 100,000 posts across the NHS; regrets the decision of the Government to reduce social care funding since 2010; notes that hospital trusts have been compelled by NHS England to delay elective operations because of the Government’s failure to allocate adequate to the NHS; condemns the privatisation of community health services; and calls on the Government to increase cash limits for the current year to enable hospitals to resume a full service to the public, including rescheduling elective operations, and to report to the House by Oral Statement and written report before 1 February 2018 on what steps it is taking to comply with this resolution.

Jonathan Ashworth: On a point of order, Madam Deputy Speaker. Can you confirm that the effect of the Government refusing to defend their position in the Lobby this afternoon is that the motion that stands in the name of the Leader of the Opposition has been endorsed by the whole House and that we should therefore expect the Secretary of State to come to the House before the end of the month to make an oral statement to explain to our constituents when their cancelled operations will be rescheduled?

Madam Deputy Speaker (Mrs Eleanor Laing): What I can confirm to the hon. Gentleman is that the House has just voted to carry the motion that was before us. The motion therefore stands. As to what the Secretary of State will say or do over the next few weeks, I am sure that he will be back at the Dispatch Box in the near future as he is a most assiduous attender of this Chamber, but we all appreciate that he has other work to do, and we look forward to seeing him doing that.
Rail Franchising

4.21 pm

Andy McDonald (Middlesbrough) (Lab): I beg to move.

That this House believes that rail franchising is failing to provide adequate services for passengers or value for money for taxpayers; notes that regulated rail fares have risen by 32 per cent since 2010 while planned investment has been cancelled; opposes the recent bail-out of Virgin Rail Group East Coast; and calls on the Government to run passengers’ services under public sector operation.

I welcome the hon. Members for Orpington (Joseph Johnson) and for Wealden (Ms Ghani) to their new ministerial positions and wish them success in their new posts. I also pay tribute to the right hon. Member for Wealden (Ms Ghani) for his 18 years of continuous Front-Bench service. He was a pleasure to work with, and I would like to think that we can continue the sort of relationship that we had in non-contentious areas, where the result was improved legislation. I also congratulate the Secretary of State for Transport on his superb stewardship of the Conservative party. There has never been a finer record: no elections lost; no major scandals; and membership maintained at party. There has never been a finer record: no elections lost; no major scandals; and membership maintained at party. There has never been a finer record: no elections lost; no major scandals; and membership maintained at party. There has never been a finer record: no elections lost; no major scandals; and membership maintained at party.

I am delighted that the Secretary of State is in the Chamber to provide answers to a number of questions that I and other Members have for him. Unfortunately, no Minister was available on 2 January to explain the state of denial. It is time for him to come clean and face eye-watering fare rises year after year. It is a betrayal of the hundreds of thousands of dedicated and passionate people who have worked in the rail industry for decades.

Paula Sherriff (Dewsbury) (Lab): Does my hon. Friend share my concern that my constituents who have worked in the rail industry for decades. They are virtually as old as me: 42 years old.

Andy McDonald: I agree entirely with my hon. Friend. It just adds insult to injury when such hikes in rail fares go alongside appalling services.

It is time that Secretary of State woke up from his state of denial. It is time for him to come clean and admit that he has made mistakes. No one is perfect, but he should acknowledge his failures, and take responsibility for the decisions he has made, the policies he has pursued and their consequences. I urge him to be entirely unambiguous with the House today. The Government’s defence of their rail franchising system is totally indefensible, and this is not the first time that the Government have been in the Chamber this week to defend the indefensible.

Mrs Madeleine Moon (Bridgend) (Lab): In south Wales, First Great Western reduced and cancelled services over Christmas and new year—there was chaos—yet it has been handed a franchise extension. Is it not time we had performance-related franchises and performance-related franchise extensions, rather than franchises being extended automatically no matter what the service?

Andy McDonald: My hon. Friend makes a good point, and I will return to those themes.

The Government are unable to accept that the franchise model, which is demonstrably failing, is a betrayal of the public who plough billions of pounds of taxes into the railway. It is a betrayal of the passengers who face eye-watering fare rises year after year. It is a betrayal of the hundreds of thousands of dedicated and passionate people who have worked in the rail industry for decades.

Huw Merriman (Bexhill and Battle) (Con): I thank the hon. Gentleman for his kindness to me just before Christmas. Will he confirm whether fare rises have been faster under this Government or the last Labour Government?

Andy McDonald: Labour’s position is that if we were in power, we would not raise fares by the retail prices index or by RPI plus 1. We would save each member of the travelling public £500 during this Parliament.

Several hon. Members rose—

Andy McDonald: I will make a little progress, but I will take interventions later.

In 2016, the Department for Transport set out that its aims and objectives for rail franchising were to encourage a flourishing, competitive passenger rail market which secures high-performing, value for money services for passengers and taxpayers whilst driving cost effectiveness.” The Department has clearly failed to meet those objectives. The latest collapse of the east coast franchise, which was announced in November, makes a mockery of the Department’s 2016 aims. Virgin-Stagecoach did not deliver and defaulted on their contract, and the Secretary of State has given them a gift.

Hilary Benn (Leeds Central) (Lab): Given that this is the third occasion in just over a decade that a private contractor has announced that it wishes to hand back the keys to the east coast franchise, was it not a fundamental mistake for the Government not to allow East Coast, which successfully ran the franchise for more than five and a half years and paid back £1 billion to the Treasury, to continue its good work? Instead, the Government ideologically said that anyone could bid to run the franchise except the state-owned company that had run it so successfully.

Andy McDonald: My right hon. Friend makes a perfect point. I have no doubt that that will be a consistent theme throughout this debate.

The Government should have followed Labour’s example. When the operator defaulted in 2009, Labour took the contract back into the public sector. If a company defaults, it does not deserve a contract. Taking a contract back into the public sector would mean that there is no reward for failure, and other companies in the industry would not expect the same treatment. In the light of what happened with the east coast franchise, what plans does the Secretary of State have to renegotiate the TransPennine Express, Northern and Greater Anglia franchises?

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The hon. Gentleman makes a valid point. Is not the biggest danger of the Secretary of State’s decision that other franchisees might come looking for a handout?

Andy McDonald: Indeed. That point is entirely consistent with the issues I am putting before the House.
Labour would not have let Virgin-Stagecoach off the hook on the east coast franchise. To return to what my right hon. Friend the Member for Leeds Central (Hilary Benn) said, did the Secretary of State consider taking the east coast franchise into the public sector following the default—yes or no? Does the Secretary of State not worry that, because he refuses to use a public sector operator even as a last resort, struggling train companies now know he has no option but to bail them out in the event of a failure?

Such failures are not confined to the east coast franchise. Today’s National Audit Office report highlights a litany of errors in the Government’s planning and management of the Thameslink, Southern and Great Northern franchise. Those blunders have caused misery to millions of people, and it is the Government’s disastrous handling of the franchise that led to industrial action on the line.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend accept that this morning’s report was scathing about the dreadful performance of Northern rail? My constituents are not as dependent as I am on the east coast franchise to get up and down the country, but the local franchises are how ordinary people get to work.

Andy McDonald: My hon. Friend makes his point powerfully.

The Secretary of State for Transport (Chris Grayling): I will not respond in detail until I make my speech, but it is important to put on record that this morning’s report had nothing to do with the Northern rail franchise. It is the Government’s disastrous handling of the franchise that led to industrial action on the line.

Mr Barry Sheerman: Today’s National Audit Office report highlights a litany of errors in the Government’s planning and management of the Thameslink, Southern and Great Northern franchise. Those blunders have caused misery to millions of people, and it is the Government’s disastrous handling of the franchise that led to industrial action on the line.

Andy McDonald: My hon. Friend makes his point powerfully.

Gloria De Piero (Ashfield) (Lab): Rail companies could do more to make passengers’ lives easier. Many local stations, such as Langley Mill in my constituency, do not have a ticket machine, so people cannot collect pre-paid tickets. Should it not be a condition of any franchise that passengers travelling from such stations can use email proof, instead of their facing this “computer says no” attitude that we get from so many rail companies?

Andy McDonald: We do have to think about much more flexibility across our railway, as well as greater accessibility for people from not only every walk of life, but all different localities, as some facilities are not as they should be.

Some industry commentators have said that the Secretary of State accepted rail franchise bids that were excessive and unrealistic. Can he confirm that winning bids are accepted in the expectation that they will be paid in full? Does he anticipate that the premium payments on the South Western Railway, Greater Anglia, Northern and TransPennine Express franchises will be made in full? Several other franchises look vulnerable in the light of a report, which was on the future of that service. That report was commissioned by Southern, which set the terms and conditions.

Andy McDonald: I could not agree more. It is fascinating that we still await the revelation of appendix 9 of the Chris Gibb report, which detailed the future of that franchise. We have not seen it. That report was commissioned by Southern, which set the terms and conditions.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): My hon. Friend is making an excellent case. Does he agree that privatisation is absolutely failing passengers, and that instead of lining shareholders’ pockets we should be investing in our railways?
Andy McDonald: I could not agree more. In fact, we have seen prices rise by 32% since 2010, which underlines the hon. Lady’s point.

Iain Stewart (Milton Keynes South) (Con): The hon. Gentleman and I have enjoyed cordial exchanges on many issues, but I suspect this will not be one of them. The point has been made about rail fare increases under privatisation. I did a little research into fare increases under nationalised British Rail over the same length of time for which the private companies have operated. In 15 of 22 years there were above-inflation increases, and over that period rail fares were 60% higher after inflation was taken into account. Why would nationalisation automatically lead to lower fares?

Andy McDonald: I like to think that the hon. Gentleman and I can disagree with one another without being disagreeable. He has a good memory and is going back rather a long way. The Conservative party has been in power since 1979—and we are concerned today with the record of the current Government. We are not going back through all our yesterdays.

Anna Soubry (Bromley and Chislehurst) (Con): The hon. Gentleman is two years younger than I am, so he will well remember the state in which the railways used to be. Does he not agree that we have seen a terrific improvement in the quality of the trains, the service and the attitude of the staff? An excellent service has been developing; would he agree that that is because of privatisation? Would he further agree that investment in our railways is at a record high?

Andy McDonald: I regret that many passengers’ experiences do not match the right hon. Lady’s experience. The evidence is that people are dissatisfied with the services they receive throughout the country. I respectfully suggest to her that going back over things in the way she suggested to her that going back over things in the way she suggests to her that going back over things in the way she is doing is not helpful. Had British Rail received public investment at the rate at which the Treasury has poured money into the railways, we would have had a gold-standard railway in this country.

Anna Soubry rose—

Andy McDonald: I really want to make progress because a lot of people want to speak.

All the factors I have described undermine the growth forecasts that are so central to the Government’s model and the undeliverable bid assumptions of operators. FirstGroup won the TPE—TransPennine Express—franchise in December 2015 based on revenues increasing by 12% a year. In one of his first acts in office, the Secretary of State awarded the Greater Anglia franchise to the Dutch state-owned rail company Abellio in August 2016. The deal commits the company to paying the Government £3.7 billion to run the line for nine years. That is more than the east coast franchise. Reports suggest that Abellio’s bid was £600 million more than the next bidder. Like the TPE and east coast bids, Abellio’s bid was based on double-digit annual revenue growth. The company’s boss described the £3.7 billion price tag as “scary”. Does the Secretary of State guarantee that the Treasury will receive the full premium payment of £3.7 billion from Abellio Greater Anglia by 2025—yes or no?

Dan Carden (Liverpool, Walton) (Lab): My hon. Friend is making an excellent case. Is not one of the problems that these companies make such commitments and then set about destaffing and deskilling our railways to make more profit, so that they can pay back the Government?

Andy McDonald: The whole issue of overbidding and making promises that cannot be kept is a consistent characteristic of the modern rail environment.

If the Government’s rail franchising system cannot deliver competition and payments to the Treasury, what is the point of it? The Secretary of State will no doubt be able to give a clear and straightforward answer to that.

Sir Patrick McLoughlin (Derbyshire Dales) (Con): The hon. Gentleman tell us, during the course of his speech, how franchising changed between 1997 and 2010, when it was defended continually by the previous Labour Government as the best way to see extra investment in the railways? While he is telling us that, will he also confirm that there are actually more people employed on the east coast main line than there were under the previous people operating that line? Will he welcome the fact that the Pacer trains, which were referred to earlier, will actually go as a result of the new Northern franchise, that the Secretary of State has brought in?

Andy McDonald: Let me take the last point first. The European Union dictates that persons with restricted mobility are not served by the Pacers. The time of the Pacers has been up for a long time, and I am glad to see the back of them. I am glad that plenty of people work on the railways, and delighted that the previous Labour Government went about making the railways safe, given the disaster that was Railtrack, which delivered us Potters Bar, Hatfield and Paddington. That was the legacy that the previous Labour Government inherited, and we turned our railways into the safest in Europe, so I am very proud of what we did.

Direct awards and franchise extensions in the rail industry have been overlooked in many of the rail debates. These are contracts that the Government cannot or will not re-franchise, and which they are ideologically opposed to running in the public sector. The train companies name their price to the Government for running these hand-to-mouth contracts, which simply keep the trains running in the short term and provide no long-term benefits or investment.

The west coast route has operated on a series of direct awards since 2012, with reports of another extension beyond 2019. Another key inter-city franchise, Great Western, has been operating under a direct award since 2013, when the Government cancelled the franchise competition. Scandalously, Great Western may run as a direct award for 10 years until 2023. The Government cannot re-franchise the rail operation because their
management of Network Rail has been so poor and the Great Western electrification programme has been such a shambles.

I predict that there will be more direct awards and contract extensions to rail franchises announced by the Government. The east midlands franchise is already on an extension to 2019 and will probably get another one. I also predict that the Secretary of State will need to give Virgin and Stagecoach a direct award on the east coast because he will not be able to deliver on his east coast partnership by 2020. It is simply inconceivable that he will be able to establish a framework, gain regulatory support, put the idea out to tender, receive and evaluate bids, and award the contract within the timeframe he has set out. A direct award to Virgin Stagecoach on the east coast will allow the companies to continue to profit from the line while they invest even less.

Once again, the Secretary of State needs to be entirely candid with this House: does he, or does he not, anticipate giving Virgin Stagecoach a direct award to run rail operations on the east coast while he sets out his east coast partnership? Can he confirm whether that will take place? If he does, can he tell the House how much less the value of premium payments to the Treasury would be under this arrangement than under the original franchise?

What is the Secretary of State’s solution to his failing franchising model, as competition dwindles and premiums to the Exchequer reduce? It is quite simple: more taxpayer and fare-payer support for train operating companies. The next franchises to come up are Southeastern and west coast. Under his new revenue support arrangements, taxpayers will top up revenues if growth targets are not met. What is the point of franchising if the operators do not take any risk? In return, the Government will want close financial monitoring of the operators. Do we really want civil servants in Marsham Street poring over train company balance sheets? Is there not enough DfT interference in the railway already?

Rail privatisation’s vested interests have spent more than 20 years trying to get franchising to work. Despite the Government changing and tweaking the system for them time after time, all they have done in return is to reveal ever more and new sorts of failure, while the public continue to suffer substandard services and ever-higher fares. Enough is enough. We need to change the system entirely.

4.44 pm

The Secretary of State for Transport (Chris Grayling): May I begin with the one thing on which we agree this afternoon? I thank the hon. Member for Middlesbrough (Andy McDonald) for his generous comments about my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), who has been a great servant of my Department and other Departments for a very long period. He has been on the Front Bench for 19 years, in government and in opposition. That is an epic career, and we all very much appreciate the work that he has done, particularly on legislation and on building bilateral discussions and so on, so I pay tribute to him for all that he did. I am grateful for the warm words from the hon. Member for Middlesbrough.

Apart from that, we have just heard about 25 minutes of complete nonsense from the Opposition. I suspect that you would say it would be unparliamentary of me to call them hypocritical, Madam Deputy Speaker, so I will not do so, but I have no doubt that others in the know will be astonished by the gall with which they simply forget their actions in government; with which they pretend that their ideas will not cost a penny—I keep hearing that, but it is absolutely untrue—and with which they make inaccurate claims based on a lack of facts about subjects they appear not to understand.

Let me set out why the Opposition’s ideas do not stack up and why their positions do not add up.

Grahame Morris (Easington) (Lab) rose—

Chris Grayling: I will make some progress and then take interventions.

I shall also set out why the Opposition’s policies make no sense for the travelling public and why their pronouncements on the east coast main line are wrong. I shall also explain why it is this Government who have set about the task of modernising and upgrading our railways—the biggest programme of investment since the steam age—after 13 years of a Labour Government who quite simply failed to deliver the infrastructure improvements that this country needed. It has taken Conservatives to begin to change that.

Several hon. Members rose—

Chris Grayling: I will make some progress and then take a few interventions.

I do not like to see train fares rise. I particularly did not like, as a rail user of some 35 years, to see fares rise by nearly 20% in real terms during Labour’s years in office. I did not like, in those years, to see fares rise in cash terms by an average of 67%, so I am relieved that we have been able to limit the increase in train fares to just 2% in real terms since 2010, even while we invest billions in upgrading the network. That increase is still more than I would wish, but it is much, much less than the increases under Labour and much less—[Interruption] The hon. Member for Middlesbrough was simply unwilling to answer the question that my hon. Friend the Member for Bexhill and Battle (Huw Merriman) correctly asked. Under Labour, fares rose much faster than they have under this Government.

That does not make it any easier for those who faced increases last week. I had hoped to be able to bring down the rate of increase from the higher retail prices index rate to the lower consumer prices index this year. That remains my goal, but there is a problem. The industry is locked into RPI and has been for years. The biggest barriers to change are the unions whose members’ pay amounts to almost a third of the costs of the industry. Currently their pay rises in line with or above RPI inflation every single year.

Stephen Lloyd (Eastbourne) (LD): In a recent report, the head of the National Audit Office said:

“Some of the problems could have been avoided if the DfT had taken more care to consider the passengers in designing the rail franchise.”

Secretary of State, may I ask whether you recognise that statement, and do you apologise to the passengers?
Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Gentleman is not asking the Secretary of State—he is asking the Chair.

Stephen Lloyd: Through the Chair, I would like to ask whether the Secretary of State recognises that severe criticism from the head of the NAO. Will he apologise on behalf of his Department to my constituents—rail passengers from Eastbourne—and passengers across the south-east?

Chris Grayling: I make no apologies for the huge investment programme in the Thameslink network, the massive expansion of London Bridge station, which has just been completed, and the introduction of brand-new 12-coach trains across the network. What I do apologise for is that we were not able to avoid the extraordinarily ill-judged actions of the trade unions, which caused massive trouble for passengers. The hon. Member for Middlesbrough talked about the Gibb report. Chris Gibb had a simple conclusion, which was that although there were problems on the network—that is why we are spending £300 million on improving it—by far the biggest disruptive factor was the trade unions.

Of course, we want rail staff to be paid fairly, but trade union leaders such as Mick Cash drive up ticket prices for hard-working people. The same unions that want CPI increases on fares want RPI—[Interruption.] The hon. Member for Middlesbrough should listen. The RMT guidance to their negotiators is that “any attempt by an employer to link a pay award to CPI must be refused.”

Mick Cash wants bigger rises for his members and lower rises for passengers. Where is the money coming from? It does not add up. Labour’s policies do not add up, and the unions’ policies do not add up.

Of course, you will remember, Madam Deputy Speaker, who pays the Labour party’s bills. Even the shadow Secretary of State has a point about the precise use of words in the Chamber.

Andy McDonald: On a point of order, Madam Deputy Speaker. I do not know whether you heard what I did, but I think that I have been accused of unacceptable behaviour. I really think that needs to be clarified.

I have tried to conduct myself with all civility and propriety, and what the Secretary of State said is regrettable. I seek your guidance on that point.

Madam Deputy Speaker (Mrs Eleanor Laing): The Secretary of State did use a phrase that included the words “not acceptable”. He might wish to repeat what he wanted to say in slightly different words, because the shadow Secretary of State has a point about the precise use of words in the Chamber.

Chris Grayling: Madam Deputy Speaker, I think it is unacceptable to defend inappropriate strike action around the country by people who should not disrupt the lives of passengers. I wait with interest to hear any Labour Member say that the strikes are wrong. Sadly, I have not heard that for 18 months. I am waiting patiently.

Kate Hoey (Vauxhall) (Lab): Why has the RMT been able to negotiate successfully in Scotland and in Wales the question of driver-only trains, which is concerning for the public, when we cannot get that here in England? Is it something to do with the Secretary of State?

Chris Grayling: Driver-only trains have been operating in this country for 30 years. The ASLEF union recently reached a perfectly sensible agreement with GTR about the development of new train technologies. Yet today the RMT is striking on South Western Railway, even though that company has said that it does not plan to take the second person off the train. That is an absurd position. Of course, the hon. Lady will remember the comments of the president of the RMT at the TUC conference, where he said that the real aim is to create a national rail strike and bring down the Government.

That is my concern. It is about not passengers but political motivation, and that is not acceptable.

Chuka Umunna (Streatham) (Lab): I sat here and watched the Secretary of State chuckle and smile as my hon. Friend the Member for Middlesbrough (Andy McDonald) made his contribution. My constituents have been suffering from the most dreadful services from Southern and Thameslink, and that is no laughing matter.

The Secretary of State refers to industrial action. The NAO report is clear that his Department did not check whether GTR had enough drivers and did not have a proper understanding of the condition of the network when it was setting the requirements of the franchise. The report is absolutely clear that the “cumulative effects” of the decisions made by his Department “have negatively impacted on passengers.”

The Secretary of State can talk about industrial action all he wants, but when is he going to accept responsibility and, as the hon. Member for Eastbourne (Stephen Lloyd) just demanded, apologise to our constituents for the dreadful misery they have been suffering?

Chris Grayling: I have been Secretary of State for 18 months. Let us be clear what I have done. There are a number of problems on the network—I have never made any attempts to hide that. The infrastructure is not good enough, which is why we have launched an
Chris Grayling: I cannot give the exact numbers, but we are investing tens of billions of pounds in the railways over the period that my right hon. Friend mentioned. Crucially, the private sector that the Labour party seems to dislike so much is investing billions of pounds in those new trains. The new trains that are arriving in all parts of the network right now are being funded not by the Government, but by the private sector.

This is the key flaw in Labour’s arguments. Actually, if we get rid of the private sector in the rail network, there will not be any new trains, because this is about billions of pounds that is coming from elsewhere. That money comes otherwise from the Treasury—it has to compete with money for schools and hospitals. Through the public-private organisations that work side by side in our railways, we are delivering a huge infrastructure investment programme and, at the same time, a transformation of our rolling stock. That is what is necessary.

Several hon. Members rose—

Chris Grayling: I will take one more intervention and then make some progress.

Grahame Morris: It is an interesting concept that the travelling public have got a good deal that is paid for by the private train operating companies. I just checked what it would cost me if I left the House of Commons and went to Durham now. It would cost me £153 standard class—or £236 first class, but of course we are not allowed to do that. A similar journey at the same time of day from Frankfurt to Munich in Germany would cost £39 and tuppence. How is it that our travelling public are getting a good deal from this fragmented privatised system?

Chris Grayling: In this country, under Governments of both persuasions, we have taken decisions about the right balance between the cost of the railways being borne by those who use the railways and those who do not. Yes, the hon. Gentleman may be quoting walk-up fares, but he can go and buy an advance ticket for the east coast route at a fraction of the cost that he described.

Geraint Davies (Swansea West) (Lab/Co-op) rose—

Chris Grayling: I am going to make some progress now, I am afraid, because the shadow Secretary of State asked a variety of questions about the east coast main line and I want to respond.

The reality is that sometimes the private companies get it wrong. The situation on the east coast franchise is a clear example. Virgin and Stagecoach overbid, and they are paying, and will pay, the price. I repeat—they will pay the price.

I have listened with interest to some of the ill-informed comments about the situation on the east coast line in the past few weeks. I have heard some absurd claims from people who do not understand what they are
talking about. So let me explain to the House what the position is. I am not agreeing to early termination of a contract in 2020; no one has asked me to. This railway is paying a huge premium to the taxpayer and continues to do so, but the issue is that this franchise is not delivering the profits the operator expected and is at risk of not making it as far as 2020.

Graham Stringer (Blackley and Broughton) (Lab): Will the Secretary of State give way?

Chris Grayling: No—forgive me, but I am going to explain this in detail.

Passenger numbers are rising on this railway; customer satisfaction is up; and the line is generating a healthy and growing operating surplus that is providing a much greater return to the taxpayer than when it was in the public sector. It is also worth saying that it is running more services and employing more staff. The money that the franchise pays to the Government is today 20% higher than it was under public ownership. But Virgin and Stagecoach got their numbers wrong. They have been losing money steadily, and have now lost the best part of £200 million in the past three years. Despite that, I am holding them to their full financial obligations, taking every last penny of the £165 million guarantee that we insisted on when they took on the franchise.

Andy McDonald rose—

Chris Grayling: I am going to finish this point, and then I will take the hon. Gentleman’s intervention, if that is okay.

That is a huge sum of money for a British business with a market capitalisation of under £1 billion pounds. It is also one of the biggest bonds of its kind ever provided in the rail industry. But despite Labour’s claims, this is not a bail-out. There is no viable legal mechanism through which I can extract any more money from the company. My Department is preparing contingency plans as we do not believe that the franchise will be financially viable through to 2020. I clearly have a duty to do that for passengers. When we reach a conclusion that works, I will come back to this House and make a statement. However, I do plan to go ahead with the east coast partnership, as I indicated in my statement a month ago. People in this country do not understand the separation of track and train, and as part of our reforms we are bringing the two together, as Sir Roy McNulty recommended in his report. I now give way to the hon. Gentleman.

Andy McDonald: I am grateful to the Secretary of State. Can he make this clear? He is talking about the parent company guarantee, which will be paid. What about the premium payments from 2020 to 2023, which amount to £2 billion? Is the company going to pay those premiums, or not?

Chris Grayling: As I have just said, we are currently not convinced that the franchise will make it as far as 2020, so we will put in place alternative arrangements. The hon. Gentleman was clearly not listening to what I was saying. However, this railway will continue to deliver a substantial operating surplus—a premium to the taxpayer—whatever the situation. Whatever happens, this railway will continue to deliver large sums of money to the taxpayer.

Graham Stringer: If I heard the Secretary of State correctly, he was confirming the article in The Sunday Times saying that the full contract, as it was let, was not legally enforceable. If that is the case, will he confirm it, and will he explain to the House why he agreed a contract that was not legally enforceable? If it is not true, why will he not demand the full £2 billion?

Chris Grayling: The hon. Gentleman has not understood the finances of the rail industry. The money that the taxpayer receives from the operating profit—the taxpayer receives the lion’s share—will continue to flow into the public coffers whatever happens. The contract that was let between Virgin-Stagecoach and the Government will be fully enforced—I repeat, it will be fully enforced—and I make the absolute commitment to the House that that will happen.

I will now make further progress. We have heard this afternoon, more explicitly than we have previously heard it, that the Opposition’s policy is to return to the days of British Rail. There is somehow the idea that this will bring nirvana, but it actually only takes a moment’s thought to realise how flawed their thinking is, assuming they have done any the first place.

Our network suffers from three main problems. First, the infrastructure, which is already run in the public sector—Labour Members forget that—is often old and unreliable. About two thirds of the problems on our rail network result from issues with the publicly run infrastructure. This is not about who runs it and who owns it, but about investment in the infrastructure. That is why I am pleased to have just announced a further £20 billion renewal programme for infrastructure—concentrating on replacing older points, signals and the rest, and upgrading systems—so that we have a more reliable railway. That is the first problem, and the first solution.

The second issue is that the system is heavily congested. It would not matter who was running the railway, because routes into places such as London Waterloo or Manchester Piccadilly would still be full. What those stations and routes need is longer trains, and that is why the private sector, supported by the Government, is now investing in longer trains all around the country—we have opened the Ordsall Chord in Manchester, which will provide linkage across the city and create extra capacity through central London, and why we have invested in Thameslink, which will make a huge difference through central London, and why we have opened the Ordsall Chord in Manchester, which will provide linkage across the city and create extra capacity on trans-Pennine routes.

Thirdly, the system is organisationally too fragmented—too many people debating with each other, rather than solving problems for passengers—which is why our strategy is to bring back together the day-to-day operation of the track and the trains. Those are the three challenges facing the network today, and they are why passengers are often frustrated. We are working to address those problems with solutions and investment. That is the right strategy for the rail network, and shifting around the organisation, renationalisation and the rest of it will
not solve those problems. Let us concentrate on the things that will make the difference for passengers, not on moving the deckchairs, as Labour Members seem to want to do.

Jonathan Edwards: Will the Secretary of State update the House on his discussions with the Welsh Government about devolving responsibility for the franchise in Wales? We are halfway through the bidding process, which the Welsh Government are conducting, yet powers over the franchise remain in Westminster, despite the British Government’s promises to hand them over.

Chris Grayling: That is simply untrue. The re-letting of the Wales and the borders franchise is being handled entirely by the Welsh Government. The interesting question is whether they are actually going to be able to deliver on their promises to electrify the Cardiff valley lines, the infrastructure of which I have given them as well. They have been given the opportunity to create an integrated metro railway for Cardiff, and I will be interested to see whether they can deliver what they have promised. They have control over the Wales and the borders franchise. The only power I have retained is to make sure that we look after the interests of people on the English side of the border. I am afraid the hon. Gentleman is just not right.

Geraint Davies: Has the Secretary of State seen, as he has mentioned this area, the proposals made by Professor Mark Barry for an electrified Swansea metro, which, through straightening the line, would reduce by half the time it takes to travel from Cardiff to Swansea? Implementing those proposals would provide the electrification David Cameron promised, an integrated Swansea metro and a shorter journey time.

Chris Grayling: I have not seen those proposals, but I say to the hon. Gentleman that I think it more likely than not that we will see on the Welsh valley lines and the Cardiff metro lines the same approach that I have taken in South Wales—using hybrid technology rather than electrification. That is what I think will be done.

Albert Owen (Ynys Môn) (Lab): Dirty diesel.

Chris Grayling: From a sedentary position, the hon. Gentleman talks about dirty diesel. What we are now seeing is the arrival of new technologies that will transform the way our railways work. We will soon see hydrogen trains. The new generation of trains—hybrid trains—is much cleaner than its predecessors. New technology is giving us extra versatility.

Many Members want to speak, so I shall conclude. Today, I am afraid that we have heard from Labour Members a position based on sand. They want lower fares, but will not tell us how those will be paid for because their numbers do not add up. The irony is that in London, where Labour is in power, the fares are going up by more than fares in the rest of the country. By contrast, we are addressing the real problems on the rail network. We are providing the investment that the railways need.

Somebody mentioned disruptions over Christmas. Yes, I know passengers had a disrupted time. The reason for that is that we are spending billions of pounds across the country. At some point, the work has to be done. Those people who walk into London Bridge station in the mornings, as well as those people up in the north-west where improvements are happening and people elsewhere across the country, will now see new facilities—broader facilities, expanded facilities—that will make a real difference to passengers.

John Redwood (Wokingham) (Con): The Secretary of State is quite right that technology and investment will make a huge difference. Will he confirm that modern digital signalling will allow the railway to run many more trains an hour safely on the same piece of track, which could be the cheapest and best way to deal with the bottlenecks?

Chris Grayling: My right hon. Friend is absolutely right. We are already seeing that Thameslink is going to use digital signalling in a way that has never happened before in this country. We will use digital signalling in the improvements on the trans-Pennine route and elsewhere. This Government are investing in the railway. This party believes in the railways. It understands the need to expand capacity on the railways.

We have not done enough for much too long. In the years since privatisation, passenger numbers have grown and grown after the years of decline in the days of British Rail. So the pressures have increased, as have the challenge and the need to invest. That is why we are spending billions of pounds on the infrastructure, building stations such as London Bridge, building routes such as Crossrail and replacing every single train in the north of England. It is why we are acting in a way that, during 13 years in power, the Labour party never did.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before I call the Scottish National party spokesman, I should say that it will be obvious that a great many Members wish to speak and that we have limited time. It should be noted that a great many Members intervened more generously with their time, but hon. Members, who may all now sit down, must take responsibility for the time that their interventions take up, which is noted by the Chair. Therefore, we will have an initial time limit of four minutes per speaker, but I do not anticipate everyone who has indicated to me that they wish to speak having an opportunity to do so because there simply is not enough time.

5.13 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): A belated happy new year to you, Madam Deputy Speaker. I also welcome the new Ministers to the Front Bench and pay tribute to the work done by the previous Minister, the right hon. Member for South Holland and The Deepings (Mr Hayes). He certainly knew how to conduct himself at the Dispatch Box, and perhaps the Secretary of State should be thinking about how he conducts himself. He said that the hon. Member for Middlesbrough (Andy McDonald) spoke for 25 minutes just talking rubbish, but he then spent 18 minutes just union bashing before getting on to any substantive point.
Let me be probably the first in the Chamber today to congratulate Virgin on its recent decision to stop selling the Daily Mail on the west coast route. I am sure that many Members will agree when I say that I hope other outlets follow suit. That is probably the last compliment I will pay Virgin, but I want to commend the hard work of its staff. I encounter them fairly regularly on the west coast route and I can certainly testify to their professionalism and hard work.

The motion covers rail franchising in general and the bail-out of Virgin East Coast in particular. It is fair to say that there are opposite views across the Chamber on the merits of privatisation and franchising—we have already seen that in this debate—but one thing I am really confident about is that the Transport Secretary wrongly connects cause and effect when it comes to the privatisation of the railway. It can be argued, and has been, that British Rail was struggling, with poor rolling stock that was outdated, but that is only half the picture. Any under-investment in British Rail and rolling stock was due to Government constraints. Passenger numbers were affected by the recession, in terms of both affordability and commuters having jobs to travel to. Spending power for investment was further hampered by the safety-critical upgrades required following the 1988 Clapham rail crash, and upgrades needed to service the Channel tunnel links—yet another example of investment in the south-east of England to the detriment of the rest of the United Kingdom.

The response of John Major’s Government to the problems in British Rail was to privatise and sell it off, but they did that at such a pace that there was no co-ordinated or strategic approach. History shows that that rushed privatisation gave us Railtrack, which eventually went bust and was replaced by Network Rail. If ever there was a demonstration that infrastructure is best owned and managed by the public sector, to avoid profit being put before safety, that is the prime example. I do not pretend that Network Rail is operating as efficiently as possible, but it certainly does not put profit before safety.

The franchise approach to privatisation gave us a model in which the countries of Great Britain were the only ones to have completely divested themselves of any public stake in passenger rail operations. Given the problems since then, that appears to be another clear example of the UK leading the world, but leading it down completely the wrong path. What rail privatisation gave us was a complex model—stuck doggedly to by the Tories and the Blair and Brown Governments—of charging, interactions, private companies requiring large profits, and ticketing arrangements, and a way for companies and the network owner to play a game of blaming each other for problems.

The problems are aptly summed up in the report on the southern rail franchise just published by the National Audit Office, the main conclusion of which is that it cannot be demonstrated that the franchise has delivered value for money. The operator blames Network Rail and the unions. The Government blame the unions, as we heard again today from the Secretary of State, but completely ignore the part they played. The bottom line is that 60% of cancellations were due to Govia Thameslink and 40% due to Network Rail. It was the UK Government who set up the model that was supposed to align with the complex infrastructure upgrades; it was the UK Government who took the revenue risks, which means that strikes cost the taxpayer money; and it was the UK Government who awarded the franchise based on even further roll-out of driver-only operation; so the initial unwillingness on the part of the UK Government and Transport Secretaries to get involved is shameful.

The NAO also makes it quite clear that the Department for Transport had a large responsibility, especially in relation to access to the network and timetabling pressures. I am concerned that the DFT’s lack of understanding of pressures arising from upgrades and timetabling will have an impact on the west coast franchise and HS2 awards. Is that the reason why the invitation to tender for the west coast franchise, which was due in November 2017, still has not been issued and we do not know when it will happen?

Other franchise issues include the failed award of the west coast franchise in 2012. I am sure that, had Virgin Trains won that franchise in 2012, it would happily have taken it rather than threaten court action. As we have already heard, the case led to direct awards. According to a Library briefing, 12 of 16 franchises have now been subject to direct award. Further failures by the Department for Transport give us the worst of both worlds—there is no competition, and short-term awards provide no incentive for long-term investment, yet the companies are still guaranteed a profit. That is a poor set-up.

Alison Thewliss (Glasgow Central) (SNP): According to the House of Commons Library briefing, the direct award for the west coast franchise mentions a commitment to work to remodel Carstairs junction, which is seen as significant bottleneck in the network. Anyone who has travelled on the line knows that time spent at Carstairs is often time that could be shaved off a journey, therefore making rail more attractive. Does my hon. Friend agree that the Government should increase investment to remove bottlenecks such as Carstairs junction?

Alan Brown: I agree with my hon. Friend. Carstairs junction could be a major blockage for HS2, as well as the other operation, so I hope that the Minister was listening to her intervention and will explain why, if the remodelling was a part of the direct award, it has not happened yet.

John Penrose (Weston-super-Mare) (Con): The hon. Gentleman decrites the lack of competition from direct awards, so have he and his party considered the report of 18 months ago from the Competition and Markets Authority calling for more on-track competition within franchises as an alternative to the increasing allocation of monopolies through franchising?

Alan Brown: I am not against competition per se. There is certainly lots of information about models that are deemed to work better than others. One aspect of competition is that the public sector should be allowed to make its own bids for operating franchises. A bit of competition might help to drive innovation, but in no way should the public sector be barred from the process.

We then have the Virgin Trains East Coast shambles on the east coast line. The Transport Secretary stood at the Dispatch Box again to say that there was no bailout. When he responded to me during proceedings on the statement, he claimed that the parent company guarantees would protect the taxpayer, but we now have confirmation that franchise fees were backloaded, meaning
that Virgin was able to walk away without paying the £2 billion premium track fees it was supposed to pay. That was confirmed at the Dispatch Box. He said, “It’s okay, we’re going to get the £165 million parent company guarantee,” but that is considerably less than the £2 billion premium fees the taxpayer would otherwise have received, so the argument is nonsense. To say that the franchise might have failed is no excuse. It is testament, again, to the failed model currently being operated by this UK Government. The very fact that Stagecoach’s shares went up after we heard news of the new model proposed by the Transport Secretary tells us who is walking away with the best deal from the new arrangements.

The east coast main line gives us proof that public ownership can work. When the previous franchise failed, it was successfully run as a public operation that paid over £1 billion in track rental fees to the taxpayer and returned a nominal profit of £42 million from the overall operation. The large private companies would not suffer a £42 million profit, because they would think it too little, but it would be welcome for the public sector and could drive further investment. Another failing of the franchise model is that it only allows big companies to operate, and they chase massive profits, at the behest of their shareholders.

The public-private alliance model proposed by the Transport Secretary might in theory be an improvement but, again, it is bonkers not to revert to the working model under the public franchise. The new model will still contain risk in terms of multi-layer operations and interactions, and even the timetabling to get it in place, as was outlined by the hon. Member for Middlesbrough.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): One of these new models is the Oxford to Cambridge line, in respect of which the Transport Secretary has said he is happy to devolve power to a private company. Does my hon. Friend therefore find it strange that the right hon. Gentleman would not be willing to devolve an operation such as Network Rail to Scotland, where we could make a real difference for the travelling public?

Alan Brown: I agree with my hon. Friend and I was going to come to that point later. I cannot understand the UK Government’s intransigence over devolving Network Rail, which it is anticipated would save the taxpayer £30 million and increase accountability to the Scottish Government.

I have touched on some of the causes of the demise of British Rail. Since privatisation, passenger numbers and investment have increased, but again we need to go back to cause and effect, because that was not a direct consequence of privatisation. It has been possible to leverage in private investment, but that is recouped through passenger fares and public subsidy—that is the bottom line. When the Government allowed private investment to come in, they decided to be a bit bolder in specifying increased services, new rolling stock and other improvements for the franchises. However, that same ambition could be replicated either under nationalisation or by allowing public sector investment, rather than everything being levered in through private investment. Following privatisation, there was also an upturn in the economy, so a range of factors actually contributed to better passenger experience and increased numbers. The Transport Secretary really needs to move away from his “private equals good; public equals bad and inefficient” mentality, but I fear that today there are no signs of that changing.

In its 1997 manifesto, Labour reneged on its commitment to renationalising the rail system, but it at least commissioned the McNulty review in 2009 to identify better value for money in the railway franchise system. Incredibly, the Tory Government sat on that report for six years before coming up with modest proposals to vertically align the infrastructure and passenger operations in an alliance model.

Alliances can be made to work, or at least to work better than they do under the current franchise system. The ScotRail-Abellio alliance is the only franchise that stipulates that all staff must be paid the real living wage. It also guarantees trade union representation at every franchise board meeting, no compulsory redundancies and 100 new apprentices. Rather than making staff’s terms and conditions a mechanism for greater profit, the Scottish Government have incorporated protecting them into the contract. On passenger experience, there will be new rolling stock, 23% more carriages, a new approach to cycling interaction, and a drive to expand tourism. Those aims, ambitions and protections contrast directly with the attitude of the Secretary of State and the Tory’s southern rail franchise.

That is not to say that there were not teething problems with the new Abellio alliance, but it is now the best performing large franchise in the UK. Even so, the Scottish Government are putting in place measures to allow a public sector procurement bid to be submitted either at the end of the franchise or at the mid-point, where there is a possible break. The success of CalMac ferries in competing in the private sector shows how this can be achieved.

As we heard in the intervention made by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), if responsibility for Network Rail was devolved to Scotland, with the body under the control of the Scottish Government, the operation of rail services in Scotland would be much more efficient, and there would be much more accountability. That would give us a better way to move forward.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): On the devolution of Network Rail, does the hon. Gentleman accept that power over devolved franchises has already been devolved? Enhanced capability was devolved in May 2016 whereby public sector bids could be brought forward for ScotRail. That was known well in advance of the current tender. Is it not the case that ScotRail could have been in public hands today if the Scottish Government had delayed that tender?

Alan Brown: A small history lesson: it was the UK Labour Government who refused to hand these powers over to Scotland. They had the chance to do so in 2000 and 2005. Since the Scottish National party Government came to power in 2007, they have written to three Transport Secretaries to ask for the powers to be devolved to Scotland, and three times that has been refused. The shortlist for the ScotRail-Abellio tender process was drawn up in November 2013, so the initial invitation to tender came way before that. The contract was awarded in October 2014—a year and a half before the new powers came into play. It is absolutely ridiculous to say
that the Scottish Government could have sat on their hands and waited for future powers that might not have come. They did come, the Scottish Government will use them in the future, and they are preparing that public sector bid, so I thank the hon. Gentleman for that intervention.

**Alison Thewlis:** Does my hon. Friend agree that the experience from our casework is that Network Rail is not an accountable body at all? When we try to raise constituency cases, or make complaints about works on the line or things that it wants to do, it is very difficult to get any answers from it, because it just does not want to consult. It just wants to do things and pays lip service to community engagement.

**Alan Brown:** It is certainly a big problem. Network Rail is too big. The fact that it is effectively accountable to two Governments, but ultimately to the UK Government, causes further problems.

The Labour party is calling for full-scale renationalisation. I am certainly not against that—there is clear merit to keeping all moneys within the public purse—but I have concerns about the model proposed in its manifesto, in that the result might be something that is too large to be fully accountable, which touches on my hon. Friend’s intervention. Labour’s proposed model shows that it believes that the railway can be nationalised within the EU single market, given the EU firewall proposed between rail access and the network/operations side of the business, so the argument that we cannot be in the single market and have national railways clearly falls, as the Labour party itself recognises. We do know that nationalisation works, given how many state-owned railway companies current operate in the UK, and of course they are doing so under EU rules. The Tory anti-nationalisation attitude is therefore clearly utter nonsense.

The Library briefing on rail structures suggests there is no agreed best model operating in the world, but it does give some excellent examples of variations in models. What is clear is that public sector involvement or state-owned franchise companies can work. The UK has a franchise model that has not worked effectively, and a change of thinking is undoubtedly required.

**Several hon. Members rose—**

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. There is now a limit of four minutes on Back-Bench speeches.

5.30 pm

**Martin Vickers** (Cleethorpes) (Con): We have rightly heard from the Secretary of State that there is record investment in the railways and a record number of passengers, yet Opposition Members are here to criticise the running of the railways. I am sure we will hear many tales of woe from Opposition Back Benchers, but the reality is very different. There are problems, and we have heard from my right hon. Friend about the Virgin Trains East Coast situation, which is not desirable, but of course, to some extent Virgin predicated its income projections on improvements to be made by Network Rail, and of course Network Rail, being a nationalised organisation, usually delivers late and over budget. The Secretary of State was somewhat critical of Virgin, and it clearly should have taken note of the fact that Network Rail failed to deliver on the promises made on the west coast route some years ago, so there is some legitimate blame on both sides.

Regrettably, I am old enough to remember the days of British Rail, a failed nationalised monolith and a watchword for failure. Until 1992 there were direct train services to my constituency, but British Rail cut them, and the new Minister, whom I welcome to his place, will be hearing a lot from me about the need for through services to Grimsby and Cleethorpes.

The Government support the rail network to an enormous extent. Many of the figures cited in an article in the 13 October edition of Rail magazine were repeated in The Times last week, including that £925 million was invested by the private sector in the rail network in 2016-17. The shadow Secretary of State failed to identify how any Labour proposal would bring forth that money. The reality is that cuts are made under all Governments and usually the first thing that goes is capital infrastructure expenditure. There is no way that a renationalised network under a Labour Government would be able to raise the approaching £1 billion that the private sector is currently investing.

**Graeme Morris:** What does the hon. Gentleman think the state-owned German rail company that owns a substantial chunk of our franchises does with the profit it makes here in our privatised system? It invests that profit in its own system, through subsidised fares there. That seems ludicrous to me and most of the travelling public.

**Martin Vickers:** Perhaps they are a little more free-market and capitalist-minded over in Germany.

At present, competition is for the franchise; what we want is more competition in the running of services, and one way we can achieve that is through open access operators. Hull Trains and Grand Central both run on the east coast main line and provide services to areas that in the main do not get a service from the main franchise holder. Indeed, I understand that Grand Central will shortly put forward a proposal for direct trains from King’s Cross through to Scunthorpe, Grimsby and Cleethorpes. I hope that the Minister will be supportive of that, because it would be a great boost to the local economy.

**Will Quince** (Colchester) (Con): My hon. Friend has mentioned open access, and I agree with the points he is making. Does he agree that open access tends to produce a higher satisfaction rate among passengers and rail users?

**Martin Vickers:** My hon. Friend is absolutely right. Hull Trains and Grand Central both get very high satisfaction ratings.

The House should take note of last year’s Transport Committee report on rail franchising. It states:

“Open access has been a success, albeit on a limited scale to date. The balance of evidence points to potential benefits in open access having an expanded role on long distance routes.”

It goes on to state:

“Reforms are needed if open access is to be expanded on the network. We recommend that the Department and the ORR work together, as they develop the financial framework for the railways over Control Period 6.”
[Martin Vickers]

I hope that the new Minister will make it one of his priorities to look more closely into introducing open access operations on to the railway, in order to provide genuine competition and to improve services, particularly on those routes that are struggling at the moment.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Will the hon. Gentleman give way?

Martin Vickers: I will not take any more interventions; it would be unfair to others.

Reference has been made to fare increases. It is a fair point that there has to be a balance involving what the taxpayer is prepared to put into the network. I gather that the net contribution from the taxpayer for the last financial year was £4.2 billion. That is not an insignificant amount. While mentioning fares, may I be critical of the rail operators? Tickets are often not checked, and barriers at stations often do not operate. That is something that urgently needs to be looked at.

5.37 pm

Maria Eagle (Garston and Halewood) (Lab): No other nation in the world runs its railways like the UK has done since the flawed and ideological fragmentation and privatisation carried out by the Major Government in the mid-1990s, and there is a reason for that: it just does not work very well. In particular, it has not worked on the east coast main line. Since rail privatisation, of the three private operators of that franchise, one has gone bust, one has defaulted on the contract and one has been allowed to avoid payments of hundreds of millions of pounds—possibly up to £2 billion—that it undertook to pay to the taxpayer.

This latest and grossest private franchising failure is a capitulation by the Transport Secretary to Virgin Trains’ demand to be let off the consequences of its overbidding to get the contract. The Transport Secretary has done this in an effort to prevent the embarrassing spectacle of another very public failure in the private operation of InterCity East Coast. This follows his predecessor’s ideologically motivated decision to strip Directly Operated Railways of the operation of the east coast main line mere weeks ahead of the 2015 general election. In doing this, the Transport Secretary has simply given in to the self-interested and costly demands of the train operating company.

The only east coast operator that has not gone bust, defaulted or received a bail-out from the taxpayer was East Coast Main Line, a wholly-owned subsidiary of Directly Operated Railways—its owner being the Government—which was established by Lord Adonis when he was Transport Secretary in 2009. In other words, it was a publicly owned company. It took over when National Express defaulted, and it ran the line very successfully. Its record is clear and stands in stark contrast to what has happened before and since. It made all its required service payments, paying out zero dividends to greedy private owners—because it did not have any—and it achieved some of the best results on the east coast of any operator since records began.

Ian Mearns (Gateshead) (Lab): On my hon. Friend’s point about the east coast main line, because of the ideological decision by the Government, profits of £1 billion going back to the Treasury have been forgone. At the same time, we are allowing a private franchise not to pay £2.1 billion to retain its franchise. Does she agree that it is economic madness to retain that service in the private sector?

Maria Eagle: My hon. Friend is correct. Money is clearly no object in trying to avoid the embarrassment of yet another failure of the franchise in the hands of a private operator. Why did the coalition Government decide to re-privatise the operation? The date is a clue, as it happened just weeks ahead of the 2015 general election. The decision was cynical, ideologically motivated and costly to the public purse.

Our policy at that time was clear. We wanted to keep East Coast in public hands to act as a public sector comparator to the private franchises. We wanted to keep the operational expertise in Directly Operated Railways to enable us gradually to take the operation of the railways back into public ownership as franchises ended without having to pay enormous amounts to buy out contracts. Just changing the order of franchise competitions to enable that re-privatisation cost the public purse hundreds of millions of pounds. Indeed, the consequences of that lamentable decision are being seen today in the ongoing chaos and waste of money that the franchising system is inflicting on our railways—now spectacularly reinforced by the Transport Secretary’s capitulation to the financial interests of the private train operating companies on the east coast main line.

The Transport Secretary is effectively institutionalising massive taxpayer bail-outs, which he has renamed “partnerships”, and I predict that this will not be the last such bail-out. He is effectively institutionalising giving in to the tendency that the private companies have shown over the years of gaming the franchising system to keep taxpayer subsidies while avoiding making the payments that they are contracted to make. Virgin-Stagecoach is not the first train operating company to do that and it will not be the last. The system delivers lucrative near-monopoly rail contracts on the basis of post-dated payment promises by private companies that can simply be abandoned when they become due, with no penalty attached for behaving badly.

The Government are now institutionalising the reality that the private companies take the profits but the taxpayer provides almost all the investment in trains, track and infrastructure and covers any losses. That is the very definition of a licence to print money. Private train bosses are simply laughing all the way to the bank, pocketing profits straight back into services, paying out zero dividends to greedy private owners—because it did not have any—and it achieved some of the best results on the east coast of any operator since records began.

5.42 pm

Will Quince (Colchester) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this debate. It is a pleasure to follow the hon. Member for Garston and Halewood (Maria Eagle) despite my not agreeing with what she had to say. The cost of an annual ticket
from Colchester to London is now £5,104 and I am in no doubt that that is a huge amount of money for my constituents. However, despite what is claimed by the Opposition, including the hon. Lady, the fares are not lining the pockets of rail companies. For every £1 spent on fares, 97p goes on the running and improvement of our railways. However, when our constituents pay such amounts to travel to work they need to see value for money.

To be fair, passengers on Abellio, which runs the service to Colchester, will see real benefits from the new franchise. Over 1,000 brand-new carriages are coming into service from next year, at a cost of over £1 billion—I assume that that is another £1 billion that Labour would borrow. There will be free wi-fi for all passengers at stations and on trains. Season ticket holders and those who buy their tickets in advance will benefit from automatic Delay Repay. All those things will make a massive difference, and I have only one ask for the Department. The new 15-minute threshold for Delay Repay was announced after Abellio was awarded the franchise, so as things stand it is likely that it will not be introduced until a new franchise is awarded in 2025. My constituents, Abellio and I would like to see that implemented earlier, so I ask the Department and the new Minister, my hon. Friend the Member for Orpington (Joseph Johnson), whom I welcome to his place, to see whether they can make it happen as soon as possible.

However, I will not stand here and pretend that the current franchising system is perfect. We still have issues with competition and with the number of companies coming forward.

Huw Merriman: On competition, my hon. Friend may remember a Transport Committee report in which we found that the same big companies were bidding and that there was not enough competition.

Will Quince: I have served on the Transport Committee with my hon. Friend for two years. He is right that, in the invitation to tender for our most recent franchise on the Great Eastern main line, the three companies that put in a bid were Abellio, the existing franchise holder; National Express, which had had the franchise taken away when it was given to Abellio; and FirstGroup, which had had the franchise taken away when it was given to National Express. He is right that we need to encourage more bids.

Large franchises mean that multimillion-pound bonds are put up by companies that are looking to run the services, and there is a lot of risk even for large companies. We should consider creating smaller franchises that carry less risk, thereby attracting more interest and more bids, delivering more competition and, ultimately, better value for taxpayers’ money.

Lloyd Russell-Moyle: Would allowing councils, local authorities and other public bodies to bid for franchises not be a good way of ensuring more competition, and competition that people can control?

Will Quince: The honest answer is most likely not, but I agree that we need more competition. I agree with my hon. Friend the Member for Bexhill and Battle (Huw Merriman) that we need more open access.

Tom Tugendhat (Tonbridge and Malling) (Con): My hon. Friend is making a fine point. I welcome more competition, and I would welcome the involvement of groups from the charitable and non-profit sectors. The idea that the public sector should underwrite risk with taxpayers’ money is what we are moving away from.

Will Quince: My hon. Friend makes an eloquent point.

Sandy Martin (Ipswich) (Lab): Will the hon. Gentleman give way?

Will Quince: I am sorry, but time is limited and I have taken enough interventions.

My hon. Friend the Member for Bexhill and Battle is right that we need to consider more open access in which two or more companies operate on the same franchise, where the line can support it. I appreciate that many lines cannot support such open access, and the Great Eastern main line is a prime example of where it would be very difficult. Where we do have open access, operators tend to have higher satisfaction ratings, which proves that competition can offer benefits for passengers.

Ticketing is another thing that could be improved. I would like season tickets to take inspiration from the fare capping on the London underground. Buying an annual ticket, as opposed to a monthly ticket, offers a substantial discount. If a person’s employer does not offer a season ticket loan, it can be difficult for them to afford a one-off payment of often thousands of pounds—in the case of Colchester to London, about £5,000. Passengers should not pay less just because they can afford such a large amount in one go, so I urge the Government to look into capping season ticket travel on new franchises so that passengers will never pay more than the cost of an annual ticket in a single year. That would instantly save commuters hundreds of pounds, and it would be made easier by the implementation of smart ticketing, which we are seeing rolled out across franchises.

Our rail network has undergone an extraordinary transformation since privatisation. Passenger journeys, down a third between 1960 and 1995, have doubled. We have one of the safest railway networks in Europe. The focus must now be on doubling down on competition and value for money as part of the franchising process, and not on taking away all competition and returning to the days of British Rail. I encourage the Government to set a 40-year vision to transform our railway, rather than listening to the Opposition’s plans for returning our railway to the state last seen 40 years ago.

Lisa Nandy (Wigan) (Lab): It has been quite a week for the Transport Secretary, but even by his standards this debate might qualify as a low point. My constituents listening to this debate will be absolutely astonished to hear the rosy picture he painted. For most of my constituents in Wigan it is not so much a daily commute as a daily struggle to get on trains that are older than I am and that are often late, overcrowded, dirty and cold, for which they are rewarded by seeing their fares go up every year. The human cost is enormous. I am contacted every week by constituents who are tired, stressed, anxious about money or seriously considering giving up their
job because they do not know how many more bedtimes, bath times or story times with their kids they can miss. We are failing in one of the basic functions of the state, which is to provide a decent public transport service. There is a much wider cost in towns like mine.

Afzal Khan (Manchester, Gorton) (Lab): We have head from Ministers that higher fares will fund improved services. I come from Manchester, the city that had the first railway station, yet we find that the stations and railways in my constituency are in desperate need of investment. Levenshulme station is one of those. It has been hit by consistent flooding over the holidays, and lights in the station did not work for days, posing a real danger to passenger safety. In the 21st century, the station still does not have disability access. Ultimately, the passengers, who are paying higher fares—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I have tried to let the hon. Gentleman make his point, but he has now made a longer speech in that intervention than most people who are sitting here will get to make in the next half an hour, because we are going to have very tight time limits. Many Members have made very long interventions, which means some others will not get to speak at all. If hon. Members want to be fair, they know how to do so.

Lisa Nandy: My hon. Friend is right, because in a town like mine, which is typical of many around the country, people commute into nearby cities for work—Manchester is my nearby city, so I am familiar with it. Two thirds of my constituents commute out of the borough for work every day. For our town, the economic interest is enormous, because when they return to Wigan they spend in our local shops and businesses, sustaining our high streets and our local pubs. He will know as well as I do that towns across this country are ageing. The Centre for Towns research we launched last year showed that towns lost 25 million people under the age of 25 over the past 30 years, so public transport is the artery that keeps the heart beating in towns like mine. It has always been thus—towns such as Manchester and Birmingham grew and thrived because of the development of the railways, which enabled them to trade with one another. So how is it that 200 years later a report from the Institute for Public Policy Research finds that it takes longer to get from Liverpool to Hull than it does to get from London to Paris?

I will give the Minister one example of why these decisions, which are being made hundreds of miles away from the people who are affected, are broken. In 2015, the Department for Transport awarded the northern rail franchise to Arriva and into Manchester Piccadilly. Two thirds of people who commute from Wigan to Manchester commute to the south side of the city, but they were briefly told by their Government that instead they could commute into the north side of the city and arrive at work mid-morning. If they had been consulted at all, they would have told the Secretary of State why that was a problem. It has taken five MPs from three political parties two years of hard work to try to persuade the Government to sort this out, and we still have not managed to resolve it. No wonder four and a half times more people commute by train in London as a proportion of the population than in my region of the north-west. Decisions are made hundreds of miles away from the people who are affected, with no understanding and no thought given to the reality of their daily lives. I say to the Minister, who is not paying attention at the moment, that he will soon have to pay attention because the level of anger that this is creating across the country is immense.

The data analyst Tom Forth pointed out recently that for a scheme to be funded in Leeds, it needs to provide twice the return on investment of a scheme in London. How can that be sustainable? I just say this to the Minister: if we had been given the power to make these decisions for ourselves, we would have made very different decisions in recent years. We would have prioritised local services and connecting up our great regional cities before we started investing in High Speed 2. We would never have got into a situation where we were faced with losing the guard on the train. I will tell him what that will do: it will make our railways no-go areas for many people, including women late at night, people with disabilities and older people, who make up the bulk of my constituents.

We would talk far more about buses. In my constituency, it is now often cheaper for a family to get a taxi than a bus—how is that sustainable? The Secretary of State was very fond a few years ago of the phrase “take back control”. If he means anything at all by his word, he will give us back control, because we could hardly do worse than this Government.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Following on from what I said a few moments ago, I now have to reduce the time limit to three minutes.

5.54 pm

Huw Merriman (Bexhill and Battle) (Con): It is a great pleasure to follow the hon. Member for Wigan (Lisa Nandy).

This morning, on my daily commute to this place—I am one of the few people who are fortunate enough to be able to commute here from East Sussex—I walked through London Bridge station, which has caused me and many of my constituents enormous difficulties because it has been rebuilt and its tracks reconstructed. It now looks absolutely fantastic and is a shining example of the £40 billion investment that the Government have put into the railways and the difference that that has made.

I wish to talk up our railways and their success. Let us remember that since 1997, under the current Administration and the previous Labour Administration, the number of passengers on our railways has doubled. The rail system now largely pays for itself; it does not need the £2 billion a year taxpayer subsidy that British Rail took to not run things properly. When we compare our rail system to those in Europe, we see that we have the second safest railway after Ireland; that we have the second best-performing railway in terms of passenger feedback, second only to Finland; that we use our rail system over 60% more than the European average; and that we have put more investment into our railways
than any other EU country. We should talk up the rail system’s success, because not only is there all that, but it employs 250,000 people, releases about £11 billion of costs that would otherwise go on congestion charging, reduces carbon dioxide emissions by 8.4 million tonnes, and adds £10 billion to our gross value added. So we should all talk about the success of our rail story.

Of course, though, there are challenges. We have certainly seen challenges with the Southern network. We have really suffered with strikes and a poorly performing operator, and that has been laid bare today. Nevertheless, we should not forget that the unionisation of the rail network has caused enormous problems. It should be well remembered that the same train drivers who have now pledged to drive the trains that they said were not safe have taken a 28.5% pay rise. That is a much greater pay rise than the passengers who are paying for their rail tickets each year got. All Members need to recognise that costs such as that result in our passengers paying more and more.

Let us give something back to the passengers. At the moment, Network Rail has to compensate rail operators for any delays it causes. Only a third of the passengers who experience those same delays claim their compensation, so train operators are keeping the money. I want the train operators to be required to bank that money.

Will Quince: Is my hon. Friend making the point that I suspect he is going to make about automatic Delay Repay being included in future franchise agreements?

Huw Merriman: I am indeed; I thank my hon. Friend for helping me to finish my sentence. The rail operators should be required to bank that money and put it in a pot so that it can be spent only on new technology for trains. That technology would mean that everybody would be required to tap in and out of their train journey, and if by the time they got to their destination they were more than 15 or 30 minutes late, they could have the compensation credited to their bank account when they tapped out. In this day and age, there is no need for passengers to go through the timely, costly and bureaucratic exercise of claiming, which is why they currently do not claim. I have introduced a private Member’s Bill, which I hope will be given its Second Reading at the end of March, and I would like the Minister to get behind it. I believe that the technology does exist and that, with more will, the train operators could put it in place. That would give more back to the passenger.

It is all well and good to talk about the public good, and I recognise a lot of Network Rail’s good work, but it has also been responsible for a large proportion of the delays for which the train operators have taken the flack. It is time to do more than just stick with what we have; we should make all the track the responsibility of the train operators. We should also question whether some stations should be transferred out of Network Rail’s control.

Albert Owen (Ynys Môn) (Lab): In the short time I have, I wish first to pay tribute to all the staff who work on this country’s railways. They do an excellent job of getting our trains moving under difficult circumstances. I also pay tribute to the work of the shadow Secretary of State, my hon. Friend the Member for Middlesbrough (Andy McDonald), who over the past few weeks has been standing up and making the case for the British public, who deserve a better service than they have been getting. I agree with one thing the Secretary of State said—I, too, pay tribute to the former Minister, the right hon. Member for South Holland and The Deepings (Mr Hayes), who has now left the Department. He understood the value of trade unions. He was one of the few Conservative Ministers who would regularly meet the unions, because he understood that by working together, management and workforce, we can provide a better service.

I want to make two points. The first is that, since the botched privatisation of the 1990s—it was a privatisation too far—we have lost the important transport integration that we once had in this country. I was born and raised, and still live, in the port and railway town of Holyhead. The ferries used to be full of people coming across to our country and going to continental Europe. They would get a train, bus or another means of transport. That has now been broken by the franchise agreement. Each mode of transport now operates in a silo, and we need to get that integration back.

I believe in the private sector, the public sector and, indeed, the not-for-profit sector having a stake in British industry and in our British transport system. I wish to make the case to the Minister, whom I welcome to his place, for the not-for-profit sector. In Wales, our water is run by the not-for-profit sector, which meets all the criteria of the European Union and provides an excellent service. It invests its profits back into the company, and customers get a better service from it than they do from many of the private, ideologically run ones in England. There is therefore a model that works, and it is the not-for-profit one. The sector values its customers and its workforce, it makes money and it reinvests its profits.

During the passage of the Wales Act 2017, which was before Parliament in 2016, I and other Members asked for the Railways Act 1993 to be changed so that Wales could have a not-for-profit company for its franchise. That would have worked, but the Government resisted it. I say to the Minister that at this late hour, he should look again at the 1993 Act and allow Wales to run its affairs in a way that is good for customers, good for its communities and good for growth across the country. If the Government are serious about spreading wealth, they need to improve their rail systems and fix the broken franchise system.

Kevin Foster (Torbay) (Con): It is a pleasure to be called in this debate. We have talked about express trains, and I will now have to do quite an express speech.

Over the past couple of hours, I have been interested to hear the arguments being made. I must say that I do not agree that the answer to this clarion call to fix our transport network is to bring back British Rail. It is easy to look back at the past through rose-tinted spectacles. It is like those who say that they love the idea of steam trains running up and down the main lines. Yes, it is beautiful to see the Torbay Express go through, but as a practical modern transport system we have clearly moved on.
As has been touched on, the one thing that some people miss, if they think the public sector is the instant solution, is that Network Rail is in the public sector. Having sat on the Public Accounts Committee at a time when the handling of the Great Western modernisation programme was under scrutiny, I can safely say that that was nothing near a success—in fact, it was almost a textbook example of how not to manage a project. What people are interested in is the services that they get. Personally, as an MP, my priority is: what do my customers get; what do my residents get; and what services are there? It is not necessarily whether the system is publicly or privately run.

Looking at the future franchises, I am conscious that a consultation is under way about whether the Great Western franchise should be split—I can see the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) in his place—and whether our section should split away from the section that serves south Wales. When that was first proposed, I made the point that actually, the current franchise is similar to the old Great Western Railway company area—with some exceptions on the edges. Perhaps that raises some questions about franchises. Yes, it is good to have smaller franchises, as that makes services more local, but by the same token there also has to be a sustainable franchise to maintain the services of a large railway and the main rolling stock.

More locally, there are some key projects that I hope any franchise will look at taking forward. It has to start with £600,000 to fund the study of the main line through Devon. Those who know the network will know that there is only one railway line west of Exeter St Davids, which makes it particularly vulnerable at Dawlish, so we need to consider a long-term solution. Not only major schemes but schemes to improve the line and to cut journey times would be of benefit both to my constituents and to those further west. Any franchise could also look at cross-country lines, but it must be clear that it must maintain some of the direct routes from key areas for the Bay, such as from Manchester and the southern midlands directly into Paignton and Torquay. I was pleased that some of the changes were blocked by a previous rail Minister, and I hope that that will continue to be the case.

For me, the debate must ultimately be about the outcome for passengers. It is great to sit here and talk about whether the rail service should be public or private, but, actually, ownership is not the key; it is what it delivers that makes the difference to people living in our constituencies.

6.4 pm

Dan Carden (Liverpool, Walton) (Lab): It is blindingly obvious to many of our constituents that the current model of rail franchising and profiteering from our railways is broken, inefficient, fragmented and unjustifiably expensive. Our private railways are subsidised by more than £5 billion of public money every year—and that is before the bail-out of Stagecoach-Virgin East Coast and the missing £2 billion. It is no wonder it is being called the great train robbery.

British passengers pay the highest fares in Europe to travel on sometimes packed services while rail companies are laughing all the way to the bank. Since 2010, fares have risen three times faster than wages, and the 3.6% increase last week was the steepest hike in five years. Conservative Ministers said that higher fares would fund improved services, yet long-promised investment, including rail electrification, has been scrapped.

I want to focus on the current dispute at Merseyrail, where 207 guards may be scrapped. I have had an Adjournment debate on this topic, and I will not repeat all the answers I was given in the short time available today. Against the backdrop of police cuts and rising crime, the role of the guard in Merseyside is more important than ever. The Merseyside travelling public have supported the retention of guards throughout the dispute, amidst grave concerns about passenger safety. Is it fair that Merseyside passengers should pay fares that Merseyrail’s owner, Abellio, uses to pay for Dutch public railways, but do not enjoy the same safety standards as passenges on Dutch railways?

The franchising system fails to allow for good industrial relations. Train operating companies have little interest beyond the term of their franchise agreements, effectively buying a licence to print money. Changes to staffing are strategic decisions that should be considered many years in advance with the agreement of staff and their trade unions, but that is never the case. The antagonistic strategy adopted by the Government has had an adverse impact on passengers. It is high time that we had a Labour Government willing to bring our railways back into democratic public ownership. The Merseyrail dispute is not going to disappear. Reluctantly or not, the Government and regional and local politicians will have to engage further if we are to get our railways moving again in 2018. I say to Merseyrail’s owners, Abellio and Serco, that they should not do deals on Merseyside that they think they can hide in their corporate offices.

6.7 pm

Lee Rowley (North East Derbyshire) (Con): I am grateful for the opportunity to speak in this debate. I have only three minutes, so I will go as quickly as possible.

I am a new Member in the House, and regrettably I come to these debates and I hear the same stale and artificial arguments by Opposition Members. That has happened again today: we immediately reach a position where private is bad and public is good. That argument is totally stale and artificial, as the hon. Member for Liverpool, Walton (Dan Carden) has just demonstrated for the past three minutes or so.

The hon. Member for Huddersfield (Mr Sheerman), who is no longer in the Chamber, said that the discussion had become entirely partisan very early on. I think that the partisanship of the discussion was demonstrated when the motion was tabled, critiquing franchising in both concept and totality. That is the ultimate problem, because the Labour party seeks to take some examples, which I acknowledge and accept are not good, from around the country, and extrapolate from them to say that there is a systemic problem forever with rail, which means that it needs to be changed.

The evidence from the system is that more people are travelling than ever before. We have 60 years of post-war history on the rail network. For 40 of those years the network was in public ownership and for 20 it was in private sector ownership. Much of those 40 years was
uneconomic—the railways lost an incredible amount of money and the number of passengers who travelled on them reduced by a third.

Ian Mearns: rose—

Lee Rowley: No, I will not give way to the hon. Gentleman.

In the past 20 years, 13 of which Opposition Members stood up to defend and were under a Labour Government, there has been an increase in the number of passengers using the railway, more trains than ever and greater customer satisfaction about many parts of the line.

I want to make two points in the time I have left. Given that today is an Opposition day, I looked at an Opposition day debate in 1994, in which the former right hon. Member for Holborn and St Pancras, who was shadow Secretary of State for Transport, spoke. He said that privatisation would not get the necessary investment, secure the safety of the railway network or upgrade the lines. In the past 20 years, that has been shown to be wrong.

The franchise that serves my constituency, East Midlands Trains, is an example of one that works well. It is not perfect by any means, but in the past few years, it has worked well. Transport Focus says that it is performing well, especially on punctuality and reliability. In surveys, customer satisfaction is nearly 90%.

Tom Tugendhat: Does my hon. Friend recognise that the highly subsidised European models get much lower satisfaction rates? All they do is transfer the burden from the passenger to the entire taxpayer population. What we have in the United Kingdom is not perfect—not a system is—but at least the people who use the service pay for it.

Lee Rowley: My hon. Friend is absolutely right. Time after time, I sit in the Chamber and listen to Opposition Members who really do not understand economics and where the money comes from, and do not get how we can pay for the railways and all the sweeties and goodies that they seek to give out.

If we consider the Midland Mainline franchise in 1996, a couple of years after franchising occurred, there were 14 trains a day between London and Sheffield and the average journey time was two hours and 26 minutes, with the fastest journeys taking two hours and 10 minutes. We now have more than double the number of trains on the midland main line between London and Sheffield and the average time is quicker than the fastest time was 20 years ago.

I do not want to claim that everything is perfect. Many things could be better about the midland main line and East Midlands Trains, but what I have heard today from the Opposition is, as the Secretary of State said, complete nonsense. We should recognise that much progress has been made in the past 20 years. There is much to do, but I will not sit here and listen to the sort of nonsense that has been expressed.

6.12 pm

Jessica Morden: rose—

John Grogan (Keighley) (Lab): Bearing in mind the strictures of the hon. Member for North East Derbyshire (Lee Rowley), I will try not to be too stale in my three minutes.

John Grogan: I say to the hon. Member for North East Derbyshire (Lee Rowley) that privatisation has been a complete failure, and I refer him specifically to the case of West Coast Rail, where a couple of years after re-nationalisation, it is already a successful franchise.

Gentleman.

Tom Tugendhat: Does my hon. Friend recognise that the UK Government’s approach could not be in starker contrast to the Welsh Government’s? The Welsh Government are rewarding the company that gave anyone faith that things would get better? As my hon. Friend the Member for Bridgend (Mrs Moon) said, Great Western got the extension without any conditions. The Government are rewarding the company without any notion of things getting better for my constituents. Where the Government have had an opportunity to help, they have not.

There is currently a process for the Wales and borders franchise, which is devolved. But the Government said to the Welsh Government in the agency document last year that “for the purposes of this franchise competition, no cross-border paths to Bristol may be proposed.” This is a missed opportunity, when the Welsh Government are planning bold infrastructure projects such as the South Wales metro, which will improve connectivity. The UK Government’s approach could not be in starker contrast to the Welsh Labour Government’s.

A constituent who complained about services to Bristol was told recently by Great Western, “That’s just how it is nowadays.” No, it should not be. The privatised rail system is not delivering, services are getting worse and fares are going up. We need the Government and rail companies to address these problems now and to take rail back into public ownership when the rail franchises expire.
We have heard a lot about the implications of the potential loss of £2 billion in premium payments following the premature ending of the east coast franchise. We have not yet heard what will happen to the promises made by Mr Branson and Mr Souter for improvements in the later years of those franchises. Are we still going to see—from Bradford, Middlesbrough and Lincoln—the two-hourly trains that were promised under those franchises? Are we going to see the direct train from Sunderland and the continuing increase in the number of trains from London King’s Cross?

There is now uncertainty over not just this franchise, but the trans-Pennine franchise in the north of England. There is lots of speculation that the operator will try to renegotiate because it promised £300 million to the Government for a service that was previously subsidised. Is it going to continue to do that? Following the remarks of my hon. Friend the Member for Garston and Halewood (Maria Eagle), I think that the idea of a public sector comparator is, quite frankly, common sense. Why cannot there be a public sector comparator? I think that there was a golden age—under a Conservative Government, mostly—between 2009 and 2015 on the east coast, when the dominant provider was a public service provider.

In reaction to some comments from the hon. Member for Cleethorpes (Martin Vickers), I do believe in open access at the margin. Open access only provides about 1% of services. I do not see why that could not continue under a system where the major franchises were in the public sector. No dominant provider—in the public or private sector—is likely to look at the needs of small towns such as Selby, which is served by Hull Trains, Eaglescliffe and Hartlepool. Morpeth is soon to be served by an open access operator. I hope that we would not neglect that under a Labour Government.

Northern Rail is owned by the German state, and I call on the Government to start talks. We can get a solution to the strikes that are affecting my constituents for three days this week. There is a simple solution in Scotland: the driver opens the door, and the guard closes the door and maintains safety. A solution can be reached, and the Government have a responsibility to try to reach it.

My final point is that we are still reasonably close to the Christmas season, which has just passed. I urge Ministers next year to fulfil the promises they made while in opposition on Boxing day trains. Fifty-eight hours is too long to close down the network. In opposition, the Conservatives said that they would do something. Trans-Pennine has made proposals that it will run trains to Manchester airport on Boxing day 2018; Northern Rail would provide 60 services. Ministers need to act.

6.18 pm

Daniel Zeichner (Cambridge) (Lab): I would like to engage the House on the question whether franchising works. My local radio station, BBC Radio Cambridgeshire, will next week be celebrating 25 years since this country started on the journey from British Rail to anything but British rail. I remember it rather well because I went to a Railtrack meeting at the time and asked what I thought was a naive question: “Who is going to sort out the problems of who is responsible when things go wrong?” We might think now that people would have thought about that point then, but it is still being argued about 25 years on.

When I talk to people in the industry, they tell me about the small army of people who spend their time not helping passengers or improving the railways, but arguing over who is responsible for paying when things go wrong. Of course, there are so many opportunities to game the system. There are so many ways in which operators can make their trains just not quite late enough to incur any penalties.

I made a bit of a social gaffe at a dinner recently. I was sitting next to someone from a train operating company and asked the rather unfortunate question. “What exactly is the point in train operating companies?” I wondered, like most people would, “You don’t own any trains; you don’t own any tracks, so what do you do?” They said, “Ah—we sell tickets and we innovate.” That explained it—“Kind of like ticket touts, then?” I suspect I am not going to be invited back for a follow-up. That is the problem with many of these people. It is a very complicated system.

My hon. Friends have already raised some of the issues on two of the routes that serve my city of Cambridge. I am grateful for the piece in The Sunday Times that was mentioned, where we learned a bit more about the East Anglia franchise—its £3.7 billion price tag. The managing director was right to describe it as “scary”. That was negotiated in and around the time of the referendum in 2016, and, amazingly, renegotiated very hurriedly in the days afterwards—completely out of public sight, as usual, and all shrouded in commercial confidentiality. Within six months, the company had sold a 40% stake of itself to a Japanese company. Does any of this matter? I think it does. These are our public services being bought and sold, speculated on and turned into financial instruments, when what we actually need is an environmentally sustainable, cost-effective, reliable, sensible transport system that people in my constituency can afford.

With regard to the other route, I am afraid that a National Audit Office report revealed, as has been eloquently explained by some of my hon. Friends, the appalling levels of service that constituents of mine are suffering. Many of them are paying almost £5,000 a year for a season ticket—a huge amount for the many young people in my constituency to have to bear.

In conclusion, I say to the train operating companies: take a look at the station clock. Tick TOC, your time is up—just like mine.

6.21 pm

Judith Cummins (Bradford South) (Lab): The subject of this Opposition day debate clearly highlights how this Government are not running the nation’s vital transport infrastructure in the interests of the many. We have heard how the franchise model is failing the east coast mainline. The taxpayer bail-out of the franchise by the Government is yet more evidence that our railways would be better off under public ownership. Let us not forget that the east coast main line franchise returned over £1 billion to the Treasury and was the best-performing operator on the network when it was in public hands. It seems that this Government are happy to reward failing companies for mismanaging our railways.
This is not the only way that this Government are failing to deliver on transport policy, as the north of England has had a raw deal from central Government with regard to transport spending. Planned central Government spending per head of population on transport infrastructure for the next four years is £726 for Yorkshire and the Humber, versus £1,083 for London and the south-east. Meanwhile, money is frittered away on filling the pockets of private companies—money that would be better spent modernising the ageing infrastructure that is holding back places like my home city of Bradford. What is more, my constituents also have the pain of the 3.4% increase in fares this year, with average fares rising more than three times faster than wages—a slap in the face, and in the pocket, on top of years of insult from unfair underinvestment.

These figures are not acceptable, and have far-reaching consequences for the economy of the north of England and for the prosperity of my constituents. It is Whitehall’s failure to recognise that point that so enrages me. The north gets trees planted along the M62 while London gets Crossrail—hardly fair. An independent study of the north’s untapped potential set out how new investment, including High Speed 3, could unlock up to £97 billion, and create 850,000 new jobs by 2050, with a stop in Bradford bringing in an annual boost of £53 million to the local economy and at least £1.3 billion for the whole region. The party of government made a manifesto promise about electrification of the trans-Pennine rail route ahead of the 2015 general election, but we are still waiting.

A radical rethink is needed from this Government to end the failed franchise model, to bring our railways back into public ownership and to invest properly in the north of England. We in Bradford will not be fooled, satisfied or fobbed off with crumbs from the table.

6.24 pm  
Sarah Jones (Croydon Central) (Lab): In his speech, the Secretary of State said: “Let us concentrate on the things that will make the difference for passengers”. Today’s National Audit Office report says, among many other damning things, that “it is not clear whether the Department considered the...effects of its approach on passenger services.”

There have been warm words, but no action.

The National Audit Office report is damning. It reveals that the Thameslink Southern and Great Northern franchise has failed to deliver value for money. Over the past three years, Croydon commuters have suffered the worst service performance on the national rail network. There have been more than double the number of delays and cancellations than the national average, and the service has the lowest satisfaction rate for any rail operator, yet fares have risen twice as fast as salaries.

In the time available, I want to point out two particular scandals to which my constituents have been subjected by the Department for Transport and Goyia Thameslink Railway. The first is the design of the franchise and the vicious circle of low investment and declining performance that it threatens. Goyia Thameslink’s management contract hands a guaranteed £1 billion per year to the operator, while the taxpayer shoulders the risk of ticket sale revenues. We were promised a £3.5 billion profit from this huge franchise, but instead the loss to the public purse was over £90 million last year. The hon. Member for North East Derbyshire (Lee Rowley)—he insulted us all, and then left—claimed that we do not understand economics, but there is no economic sense in that model.

The abysmal performance suffered by commuters in Croydon and the inflation-busting rises meant that passenger numbers dropped last year for the first time since the franchise was created. Passengers now pick up 70% of the rail network’s costs, meaning that if passengers continue to turn away from these shoddy, overpriced services, less money will be available to invest in desperately needed upgrades. That will lead to the cycle of lower investment and higher prices that we are already seeing.

Network Rail needs £1 billion to make Goyia’s network fit for purpose. We must alter the track and sort out the Windmill Bridge junction in Croydon to stop the service from collapsing in the future. The Government claim—the Secretary of State pointed to this—that the £300 million put in place last year will go towards improving the network, but will the Minister confirm how much of that taxpayers’ money will actually go back to the coffers of Goyia Thameslink in the form of fines for infrastructure failures?

My second point—I will make it briefly—is that while the Government have been shown what works, they refuse to act. The TfL-controlled London Overground has been turned from one of the country’s worst rail services into one of its best. What is more, the independent Gibb report, commissioned by the Secretary of State himself, recommended that Southern services, including some from Croydon, should be transferred to TfL as soon as possible. We need action, not just warm words.

6.27 pm  
Ms Karen Lee (Lincoln) (Lab): Travelling by rail has always been something I enjoyed. My dad was a railwayman, and when I was nine, my family travelled to Italy by train, which was pretty exotic in the 1960s. Since being elected as the MP for Lincoln, I have had to use trains twice weekly, and it is often not a positive experience. I have to change trains at Newark North Gate, and I sometimes walk right across Newark to Newark Castle station, which can take up to half an hour.

Our rail network is currently unreliable. The trains are sometimes old and dirty, and the staff, who work hard, are demoralised. There is often a single coach from Newark to Lincoln, and it is usually absolutely packed, with no space for pushchairs, wheelchairs or cycles. It is an expensive way of travelling, and it does not persuade people who have a choice to do so to abandon their car, thereby making an environmentally sustainable travelling policy even harder to achieve.

As a result of the recent fiasco with the east coast main line, I, as an MP, as well as local businesses and Visit Lincoln, are worried that the six extra direct services we have been promised by Virgin Trains in 2019 may not happen in the end. Lincoln needs those services. My constituents need reliable, affordable trains, businesses need to attract customers and our tourist offer needs to keep on attracting visitors.

Lincoln has just got a brand new transport hub, of which we are very proud. It is my hope that Lincoln and the rest of this country will very soon get a Labour Government who will bring our railways back into
public ownership so that we have the rail system we need and the kind of Government that this country deserves.

6.28 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): In the time available, I will convey my remarks to two key points. First, I ask the Minister not to split the Great Western franchise, but instead to focus his time and energy on investing in our train line. George Osborne, the former Chancellor, suggested a Devon and Cornwall franchise. That might have won headlines, but it won few supporters in the far south-west. Splitting Devon and Cornwall off from the Great Western franchise would condemn rail users in the far south-west to a second-class service. Labour and Conservative Members rightly oppose that appalling idea, but it seems that no lessons have been learned in the DFT. Instead of focusing on speed, resilience and affordability for the far south-west, we now have to defend yet another attempt to split our franchise. Splitting the west country services from those that go to Wales would reduce income for the south-west train line, risk investment and fragment our railways even further. I say to the Minister, who will shortly receive and consider responses from the consultation, “Please do not do this.”

I welcome the Minister to his post, however, because I know that in the coming months he and I will speak an awful lot about trains, especially those around Dawlish. The priority for the Great Western franchise is investment, upgrades, resilience and faster journeys, not more fragmentation. The superb Peninsula Rail Task Force report—I encourage him to take it to bed to read if he has not yet done so—recommends investment in tracks, signalling, trains and timetabling from Penzance through Plymouth to Paddington. The full upgrade programme would cost £9 billion. Labour and the shadow Secretary of State, my hon. Friend the Member for Middlesbrough (Andy McDonald), have committed £2.5 billion from our infrastructure fund to upgrade the track, yet Ministers have not made any such investment or matched our pledge. It seems to voters in the far south-west that only Labour will invest in a long-term strategy for our railways.

I also recommend that the Minister reads the “Speed to the West” report, which follows the PRTF family of reports. It recommends cutting journey times between the far south-west and London from 3 hours 30 minutes from Plymouth to 2 hours 15 minutes. The first intervention on that, which would cost £600,000 and was mentioned by the hon. Member for Torbay (Kevin Foster), was, sadly, not funded by the Government before the deadline ran out at Christmas.

There is a last chance for the Minister to say that his Department will fund that £600,000. London receives billions of pounds for rail upgrades, but the far south-west was asking for just £600,000 and was ignored. Will he look at that again?

While there is cross-party support for rail investment in the far south-west, there is a sense in the west country that we are ignored by Ministers and this Government. The new trains that First has ordered for our route will come online this year. I welcome that investment, but I would be grateful if the Minister, in his new role, gave us the news that we want and the funding that we need for the train line in the far south-west.

6.31 pm

Liz Twist (Blaydon) (Lab): In my constituency of Blaydon, as elsewhere in the north-east, the future of our railways is of great interest. We have our own experience in our region, with the example of a directly operated railway on the east coast main line. That service was taken under public control following the failure of two contracts in 2009. My constituents and others, including hon. Members in the Chamber, were out there campaigning to retain the east coast main line in public ownership. Not only have the trains provided a good service, but the company has returned £1 billion of premiums to the public purse. That is why it was, and still is, galling for so many people in the north-east that the franchise was re-privatised in 2015 on the basis that it represented “best value” for rail users and taxpayers.

No wonder so many of my constituents expressed disbelief at the Secretary of State again looking to tear up the contract and at the current franchisees—Stagecoach and Virgin, which are known to be struggling to make their anticipated profit—being allowed to walk away from their commitment to make payments worth more than £2 billion under the current contract. It is therefore hardly surprising that folk in the north-east are enthusiastic about Labour’s commitment to take back rail franchises as they expire. Rail franchising has proved ineffective and costly, encouraging bidders to submit over-optimistic and unrealistic bids. It is about time we looked at bringing rail back into public ownership so that we get the best possible value and the best possible service for passengers from their rail services.

I want to refer to the National Audit Office report that was published this morning and the Secretary of State’s response to it—blaming the trade unions. The Government set the contract terms and specifications for franchises. The Government say, “You don’t need a second guard on trains.” They bear responsibility for the problems in the rail industry and the industrial disputes that we face.

6.33 pm

Sandy Martin (Ipswich) (Lab): In my region, Abellio is running some trains with guards and some without. It is using its plans to introduce new trains in East Anglia as an excuse for threatening to remove guards’ ability to supervise the closing of the doors. I have a great fear that my constituents’ travel needs will be sacrificed on the altar of the rail operator’s intransigence. Abellio is quite capable of running brand new, safe and viable trains with guards who fully supervise the train, including by closing the doors. It can do that in Scotland and do it in the Netherlands.

The Conservatives say that our train operators are better than they would be if they were state owned, but many of our train operators are state owned—just not by this state. Dutch democratic decision takers believe that passengers in their country deserve rail services that involve guards ensuring the safe closure of doors, but here in England, Abellio is awarded a franchise that is based on the removal of that safety measure, and once the franchise is awarded, the Government claim that any disruption caused by industrial action is nothing to do with them. The franchising system reduces every decision to what the train operator can afford to do
within the franchise it has agreed. I want a railway based on the best interests of passengers and of our country.

6.35 pm

**Grahame Morris** (Easington) (Lab): I have had to take the Beeching axe to my speech, but I will make a couple of points in the few minutes available to me.

I wanted to take up some of the points made by previous speakers, including the Secretary of State, with which I completely disagreed and which, frankly, were fake news. If we look at the evidence and compare train fares in the United Kingdom and European countries—their state operators own many of our franchises—the difference is stark. I do not accept that this is about particular fares in peak periods.

It is worth looking at the German-owned operators. Deutsche Bahn owns Northern Rail, which is the principal operator in my region. Some 42% of Deutsche Bahn’s revenue is made outside Germany, much of it here in the UK, but 93% of its investment is in the German railway, so the company is creating profits here to improve services back in Germany.

It is clear that regulated rail fares have risen by an average of 32% since 2010, which is three times faster than the average median wage has grown. The Secretary of State said that fares increased more rapidly, or to higher levels, under the previous Labour Government, but we have to factor in average wages. The Conservative policy of raising regulated fares by the retail prices index ensures above-inflation fare increases every year. Compare that with Labour’s stance as set out in the motion, which I support. We would peg fare rises to the consumer prices index, which would save the average season ticket holder £500 over the course of a year. That would affect everyone’s constituents. Indeed, the annual cost of a season ticket for one of the Prime Minister’s constituents travelling between Maidenhead and Paddington has risen by £732 since 2010.

Passengers on our railways pay some of the highest fares in Europe for increasingly unreliable and crowded services, and that has been my experience. Passengers, our economy and our environment need affordable fares and reliable services, which I do not think the Tories’ policy is capable of delivering. Labour would take back our railways into public ownership as franchises expire and use the savings to cap fares, and we would upgrade and extend the rail network.

6.38 pm

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): The debate has demonstrated that privatisation has led to a disastrous combination of service failure, disinvestment and profiteering from public subsidy. A particular absurdity of the Railways Act 1993 was that it banned any British public sector bids for franchises, but permitted overseas state-owned railway firms to bid. Hong Kong’s state railways will run Crossrail, the French state has stakes in the London Midland, Southeastern and Thameslink franchises, and Dutch state railways run the Greater Anglia and Scotrail franchises, having been awarded the latter contract, worth £6 billion, by the Scottish Government in October 2014. That came about after rail franchising powers were devolved to the Scottish Government in 2005. Labour, ASLEF, the Transport Salaried Staffs Association and the RMT trade unions appealed to the Scottish Government in October 2014 to delay the award of the new Scotrail franchise until the power to create a public sector bid was enabled by the passing of the Scotland Act 2016, which came into force in May that year and had been known about at the time of the franchise award. This practical measure to accelerate the return of a publicly owned and operated railway in Scotland was disregarded by the SNP, and as a result we are stuck with a railway in Scotland that will be owned by the Dutch state for another decade.

In the year since Abellio was awarded the franchise, fares have risen by over 12%, yet wages have increased by only 1.8%. Performance targets have been missed, many routes have been overcrowded, stops have been skipped—that has left passengers stranded—and customer satisfaction has not improved. All the while, Abellio sends its profits back to be invested in the Dutch railway network.

My constituency was once the centre of the British locomotive manufacturing industry. As a result of privatisation, British Rail’s world-class engineering and manufacturing divisions were sold off to foreign companies. They have subsequently been run down to the point where much of the UK’s rolling stock is imported from Europe or Japan, with virtually nothing exported from the UK. Other nations view their railways as a core part of their industrial and advanced manufacturing strategies. Restoring the public ownership of rail franchises would be an excellent first step towards a renaissance in the wider railway industry in Britain, the nation that gave railways to the world. I will be supporting the motion tonight.

6.40 pm

**Mohammad Yasin** (Bedford) (Lab): Just before the summer recess, the Government announced they were abandoning plans for the electrification of the midland main line. A consultation on the new east midlands rail franchise announcement followed—a process that was rushed, chaotic and, as has recently come to light, a sham. Throughout the time when my constituents were feeding into the consultation process in good faith, much bigger plans were being put together behind the scenes, without consultation or even a whisper in Whitehall, under which Bedford train users will lose their peak-time east midlands service in May.

The announcement has hit my constituents hard. Many fear they will lose their jobs or have to give up work because the changes to the timetable will mean they cannot balance, or rearrange their lives around, their family commitments. Rail users nationwide have been betrayed by this Government, but Bedford commuters are taking a bigger hit than most. Bedford passengers are being forced into trains run by Govia Thameslink, which we learned today is the worst train operating company in the country. It is clear from the NAO report that the Government awarded the franchise to Govia in the full knowledge that disruption would be very likely. Bedford passengers have felt that disruption.

There is something fundamentally wrong with the franchising process. I expect the Transport Secretary to recommend to East Midlands Trains and Thameslink that Bedford rail users are entitled to reduced fares for their reduced services. Bedford is a growing commuter town, and the use of services is increasing year on year. It markets itself as an affordable place to live with a
36-minute commute to the capital. Over the last five years, the use of Bedford station has risen by 20%. The Government should be improving and increasing services, not reducing them, and I hope that the Transport Secretary will now commit to doing so and ensure that the new franchise includes a solution for peak-time trains to be reintroduced in Bedford.

6.43 pm

**Ruth George** (High Peak) (Lab): Rail fares in this county are five times those in Europe as a proportion of wages. No wonder UK commuters are fed up with rising prices and worse services, and 76% of people now support renationalisation of the railways. The Government are in a minority position, running a railway for a few by the few. In my constituency, prices for off-peak fares have risen by 43% since Northern Rail took over the franchise just 18 months ago, hitting commuters, students and people who simply need to get to work.

When I asked Northern Rail why it had seen the need to raise prices by so much, it simply said, “Because we can.” This franchising model is a licence to print money and rip off commuters. My constituents tell me that they do not even want a seat on a train; all they want is to be able to stand up and not get pressure bruises, have their feet stood on or have to stand crammed with three other people in a stinking toilet space. Those are the sorts of journeys that constituents are suffering for an hour or more—we have the longest journey times in Europe—to get to work. The Minister might think it is funny, but will he ride a commuter train from my constituency to experience the service that my constituents face? I ask him to address that, because the Government do not seem to understand the needs of commuters—ordinary working people who need a decent train service at a time when our roads are congested and overcrowded.

There is no investment where it is needed. We get no answer from the Department for Transport on the Hope Valley capacity scheme, relating to journeys between Manchester and Sheffield—the most crowded and needed services. That small increased capacity scheme has sat there for 18 months. That is the record of this Government. They are failing commuters and the British people.

6.45 pm

**Rachael Maskell** (York Central) (Lab/Co-op): Fares, franchises and failure, all entwined: that is how my hon. Friend the Member for Croydon Central (Sarah Jones) set out. It is not just Labour Members who are increasingly highlighting the failure of the Government; the hon. Member for Cleethorpes (Martin Vickers) also spoke of problems with franchising. “Putting passengers at the heart of the rail service” should be the Government’s mantra, but sadly it is not. Research by Transport Focus, the official voice of the travelling public, found in the largest survey of its kind that failure on ticketing is the No. 1 issue for passengers. The issue is not only the 32% rise in fares since 2010—three times the rise in wages, as my hon. Friend the Member for Easington (Grahame Morris) said—the 3.4% increase on last year’s ticket prices and the 3.6% increase for season ticket holders; everyone believes that they are being diddled out of a fair price—and they are right. There is different pricing depending on which operator runs the service, what time a person logs on to book their ticket, and when and at what time of day their journey is.

When this is coupled with extortionate ticket price increases, passengers ask where their hard-earned cash is going—and it is a good question. Let me tell them: £725 million went straight into the pockets of shareholders. While Thomas might be under the Fat Controller’s orders, today passengers are most certainly under those of the fat cats. It is a great train robbery. Then there is the financial haemorrhage from multiple tiers of private subcontractors across the network, each taking their cut, and the exorbitant cost of leasing trains and the huge profits harvested there. Fragmentation brings additional costs, too. But this scandal pales into insignificance when passengers consider that when Richard Branson’s Virgin Group gets into a bit of a pickle, it goes cap in hand to the Secretary of State, and makes demands of him. Just look at how quickly the Secretary of State buckled on this—a point made eloquently by my hon. Friend the Member for Garston and Halewood (Maria Eagle), joined by my hon. Friend the Member for Gateshead (Ian Mearns), for Keighley (John Grogan), for Bradford South (Judith Cummins), for Blaydon (Liz Twist), and for Glasgow North East (Mr Sweeney).

The Department for Transport, under the Secretary of State’s orders, set up a franchise on the east coast that would involve Network Rail in delivering infrastructure upgrades, but due to the Government’s failed control period 5 process and the scaling down of the infrastructure upgrades, Network Rail was unable to deliver. The Government did not even speak to Network Rail about this when touting for an operator who would rip the service out of public hands—which, by the way, put £1 billion into the Treasury, to be reinvested in public transport. No, they just blindly put out a contract that was undeliverable, and the Government need to understand that it is their responsibility; they let the franchise. VTEC said it could not reap the gains it was hoping to under the infrastructure improvements, and guess what it did? It went to the Government to put the pressure on and now has been let off £2 billion, and the Secretary of State will not come to the Dispatch Box to deny this fact. It is a complete and utter shambles, as are so many other services; we have heard today from my hon. Friend the Members for Cambridge (Daniel Zeichner) and for Plymouth, Sutton and Devonport (Luke Pollard) about the impact these services are having on their communities.
So not only are the passengers paying for this now, but they are also having to prop up dodgy deals. And they are dodgy deals: we just need to look at the way these train operators are working their way through the system to get as much money as possible not just out of ticketing, but also by threatening to sue the Government and seeking compensation payments. It is a complete scandal.

The problems are clear: a failed, fragmented franchise system; private profits over passenger interest, with a resultant decline in patronage, as we are now seeing; and a Secretary of State who refuses to put the passengers’ interests at the heart of the railway. That is why Labour will introduce a new public railway owned by the public and working for the public. This is not about going back, as we will not revisit the models of railways past, but take us forward—and not just take our rail services forward, but our economy too.

Drawing on global best practice, Labour’s rail system will really be for the many and not the few—fares overhauled; smart ticketing; new lines opening; more capacity; more seats; more trains; embracing high-tech and digital rail; making space for freight and smart logistics; clean and green with electrification, not a return to dirty diesel; planning for the long term; and no more on-off, start-stop funding. The whole railway system will be working as one, with passengers and businesses knowing the deal and being at the heart of the deal, as my hon. Friend the Member for Ynys Môn (Albert Owen) has called for. For Wales—and my hon. Friend the Member for Glasgow North East has said he does not want to see the fragmentation reintroduced now by the Scottish Government.

As my hon. Friends the Members for Liverpool, Walton (Dan Carden) and for Ipswich (Sandy Martin) said, we must make our railways safe, and we will make them safe and accessible by ending the scrapping of the guards—a resolve the trade unions are calling for today—so that disabled people can have their dignity restored in using rail, while women can feel safe on trains both day and night. This is the rail service that the British people are demanding, and it will take a Labour Government to deliver it.

Before I sit down, may I welcome the new Transport Minister to his place, and hope that he does not take to defending the indefensible in his new role, as he sought to in his previous role earlier this week? We have a transport crisis and we need this Government to do something about it or, better still, make way for a Government who will.

6.53 pm

The Minister of State, Department for Transport (Joseph Johnson): We have had a full and excellent debate on the important subject of rail franchising, and I thank the Members on both sides of the House who welcomed me to my new position. I pay tribute to my predecessor, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), who acquitted himself exceptionally well in this role over a considerable period of time.

A lot has been said in today’s cordial debate—it has certainly been a more pleasant debate for me to sit through than the urgent question on Monday—and I will endeavour to respond to as many of the points raised as possible, but let me start by recapping some of what has been achieved, initially by looking at privatisation in the round. The statistics are compelling: last year we published our rail spending commitments for 2019 to 2024, and we will be investing £48 billion in our railways, as well as investment from private sources.

My right hon. Friend the Member for Derbyshire Dales (Sir Patrick McLoughlin) asked for specific comparisons between investment from 1997 to 2010 and from 2010 to 2020. As we have repeatedly made clear, this Government are making the largest investment in our railways since the Victorian era, with £48 billion over the five years from 2019. Let me give the House an example of what that means in practice. We will have ordered 7,122 vehicles for the rolling stock fleet, compared with 5,720 in the period from 1997 to 2010. That should give Members a feel for the tangible and practical impact that the increased investment will have. It will mean improvements in punctuality and reliability for passengers, as well as supporting thousands of jobs in the supply chain and activity in the wider economy.

The privatisation of our railways has succeeded. Passenger journeys have more than doubled since 1995, and we have a claim to being the most improved railway in Europe, and the safest major railway, too. And all this is happening in what is not only one of the oldest railway networks in the world but one of the most intensively used. In fact, more people are travelling on our railways today than in any year since the 1920s, and on a smaller network. It is thanks to this success that we are investing £38 billion in Crossrail and HS2 in the period up to 2019, and £48 billion in the years to come.

Maria Eagle: The Minister has just said that the privatisation of our railways has succeeded. Will he tell us whether the Government will vote against the motion this evening?

Joseph Johnson: Privatisation is succeeding, and we can see that in the increased numbers of passengers using the network. The motion speaks for itself, and hon. Members are welcome to—

Neil O’Brien (Harborough) (Con) rose—

Joseph Johnson: I will give way to my hon. Friend.

Neil O’Brien: I welcome the new Minister to his place, and I hope that he will be as successful in this job as he was in his last one—[Interruption.] He was very successful. As he is listing investments, I hope that he will not forget the £1 billion investment that we are making in the midland main line.

Joseph Johnson: I certainly do welcome that investment in the midland main line. That is one of the many investments that we are making across the country, and it is part of the £38 billion that we are spending in the control period to 2019. As I said, a further £48 billion is yet to come. This will mean new stations and rejuvenated older ones.

Before Christmas, my right hon. Friend the Secretary of State set out a new approach to delivering rail services. It does not require the colossal reorganisations of the kind that nationalisation would entail. It will deliver the best of both worlds, keeping the benefits of privatisation while maintaining vital infrastructure in public hands and preparing our railway to meet the challenges of the future. Earlier in the debate, the
Secretary of State addressed the recent accusations regarding the east coast franchise. It is wrong to describe this as a bail-out. When Virgin Trains East Coast was awarded the contract, it committed £165 million to support the business if it failed to perform as expected. As my right hon. Friend said, we will hold the company to that commitment in full. It has met all its commitments to the taxpayer so far and it is continuing to do so. Make no mistake: we will hold all guarantors, including Stagecoach, to those financial commitments.

We have been making significant progress with industry on the Secretary of State’s vision for the east coast partnership from 2020, and on plans to meet that commitment. We stand by that commitment in full. I was asked about a direct award to Virgin-Stagecoach, and I refer the House to the answer that the Secretary of State gave earlier. My Department is preparing contingency plans, as we do not believe that the Virgin Trains east coast franchise will be financially viable through to 2020. We intend to return to the House in due course, once those plans are in place.

Many hon. Members raised the issue of fares. These are at the heart of the massive investment that is going into the railways, and it is of course right that that investment should be derived not just from taxpayers’ money. Passengers benefit from the improvements that our investment programme is delivering, and it is right that they make a contribution towards it. On average, 97p in every pound that passengers pay—

Mr Alan Campbell (Tynemouth) (Lab) claimed to move the closure (Standing Order No. 36).

Question put forthwith. That the Question be now put.

Question agreed to.

Main Question accordingly put.

Question agreed to.

Resolved.

That this House believes that rail franchising is failing to provide adequate services for passengers or value for money for taxpayers; notes that regulated rail fares have risen by 32 per cent since 2010 while planned investment has been cancelled; opposes the recent bail-out of Virgin Rail Group East Coast; and calls on the Government to run passengers’ services under public sector operation.

Andy McDonald: On a point of order, Madam Deputy Speaker. The motion has been passed unanimously by the House, demonstrating that the rail franchising system has failed and that the railways should be run by the public sector. When can we expect a statement from the Secretary of State to outline his plans for implementing the will of the House?

Madam Deputy Speaker (Dame Rosie Winterton): The hon. Gentleman is quite right to say that the House has agreed to the motion. The Leader of the House has said that, following such occasions, the relevant Secretary of State will return to the House over the next few weeks to indicate what action the Government propose to take as a result of the motion being passed.
Primary School Academisation: Cambridge

Motion made, and Question proposed, That this House do now adjourn.—(David Rutley.)

7.1 pm

Daniel Zeichner (Cambridge) (Lab): Thank you, Madam Deputy Speaker, for allowing the House the opportunity to consider the important issue of the academisation of primary schools in Cambridge. I will talk primarily about the necessity of both transparency and accountability in academy trusts and about the academisation process itself. The debate is timely, because just a few hours ago there was a meeting at St Philip’s C of E Aided Primary School in Romsey in my constituency to determine the school’s future after many months of uncertainty. It was local parents raising with me that process and the issues around it that caused me to take a particularly close interest in the case. The more I have seen of it and the more people I have spoken to, the more concerned I have become—hence the request for today’s debate.

I start by thanking those who brought the issue to my attention, who include not only local parents but the many people involved in local schools and the local educational system who have spoken to me over the past few weeks to explain the consequences of the process for the education system in my city and the surrounding area. I particularly thank Rachel Evans of the National Education Union, who has worked hard and carefully with parents and staff to try to achieve the best outcome for the school and the wider community.

Right at the outset, I want to say that I make no criticism of those involved locally, because I believe that they have all been doing their very best for the school, but it is the process they have been put through that causes me concern, and it should also trouble the Minister. Whatever one’s view of academies in general—I will come on to that—there must be something wrong with a process whereby parents, staff and the local community feel that they are just being informed about significant changes to a key local institution, but not involved in any meaningful way. They feel that it is being done to them, not with them. Schools are not businesses and are not privately owned—not yet, anyway. Schools are a key part of the fabric of our local communities, and we all know that they do better when they are a part of their community, with close parental involvement.

Although I am not an educationalist or an expert in this area, I was, like so many of us in Parliament, a school governor for many years. I was the chair of governors for a voluntary aided junior school in a rural market town for almost 10 years. I have known St Philip’s for a number of years, and it is a not a school that I would have had serious concerns about. It did experience a serious dip in results a couple of years ago and also had a problem when there was too long a delay in replacing an outgoing headteacher. That should interest the Minister, because he may want to reflect on why it takes so long to recruit good headteachers, particularly in high-cost areas such as Cambridgeshire—it is no easy task. But, as has been demonstrated by the swift recovery in results, the school clearly has a bright future, and I emphasise that point. I commend the many positive comments that parents made in their considered responses to the recent consultation, in which a strong view emerged that the school has improved dramatically. That leads to a frequently asked question: if the school is so improved, why the need for further change that might, in itself, be destabilising?

I do not criticise the interim executive board, which has been following its understanding of the procedure, but what a flawed procedure it is. Parents were informed by letter of a consultation in which the outcome was assumed to be academisation, and there was no sense of any alternatives being on offer. When parents rightly asked what say they had in any of this, the response was pretty much, “Yes, you can express an opinion, but this is what is going to happen.”

Originally, only organisations in favour of academisation were invited to make presentations at today’s special meeting. Parents rightly protested, and I protested, and I am pleased to say that the IEB did invite people with differing views, including local councillors and a representative from my office. I do not know the outcome of the meeting, and I suspect parents do not know yet, either, but such protests should not have been needed for other views to be put. It still is not really clear what other options are being considered.

The apparently preferred option from the outset was joining the local diocesan multi-academy trust—the Diocese of Ely multi-academy trust, or DEMA T—but there is a question as to whether that is really the best way forward for a city school. Should the school be swallowed up by a sprawling organisation that covers a huge geographical area—I choose my words carefully, and I am sure the Minister understands what I am saying—and whose effectiveness by no means convinces everyone in the local area?

Also, what about the concerns of many in the school, which has a very diverse catchment, that a move to a diocesan trust poses real dilemmas? This is a voluntary aided not a voluntary controlled school, and parents are right to raise the distinction. It is notable that some who clearly express their Christian faith raise that very point. What consideration has been given to other, more local options—or, of course, the option, which the vast majority appear to want, that the school should be as it was before the dip, and is now, by staying with the local authority? To most people, the process did not seem to offer any of those choices, only a one-way path to academisation within one multi-academy trust.

What would the Minister say to a parent who says, as parents have said to me, “I don’t want my child taught by unqualified teachers”? That is one of the freedoms available to academies. How does that parent get a say and, more importantly, how do they influence the decision? What if we discover every parent in the school shares that view? How would they get the decision changed? The answer is not obvious. Maybe the Minister can enlighten us.

The St Philip’s saga illustrates a wider problem with academies and multi-academy trusts. They take public money but are not democratically accountable to their communities. We all know that local authorities are also too often flawed, but they are by definition accountable—people can vote them out and get rid of councillors. Academies in multi-academy trusts do not have to have local representation on their boards, either of parent governors, local councillors or staff representatives. Indeed, I am told by one so-called emerging local multi-academy trust that, when it sought to include local authority representation on its board, it was told by the Department...
for Education that it could not. Will the Minister confirm whether that is the case and, if it is, why locally elected representatives are so excluded? The processes followed by these trusts are far from transparent, which inevitably leaves communities anxious.

Some multi-academy trusts in my area—in fact most of them—have boards full of impressive management and business figures, and my area is fortunate to have such people available, but the boards are singularly lacking in people on the frontline: parents, teachers and school meal supervisors. They are the people who actually know what is going on.

I mischievously suggest that the Secretary of State for Environment, Food and Rural Affairs takes a look at some of these boards. He might observe that the “blob” is more resilient than he thought. For a truly depressing session, I can heartily recommend that he browses the array of websites promoting MATs in any area, but for today’s purposes I shall limit myself to discussing Cambridge. As he looks, he will come across an array of mission statements and management gobbledygook, much beloved of corporate consultancies and full of joyless jargon, such as “pursuit of excellence”, “uniting with a common purpose” and “an outstanding education for all children is at the heart of our vision”. I know they have to do it, as that is the nature of the system— I even have sympathy with the poor people having to sit down to draft this drivel—but it is nonsense and we all know it. It may give us a chuckle when we are watching “W1A”, but this is the real world and it is not honest.

Honesty in times of really tight budgets, not Silicon Valley-esque, vomit-inducing fluff, would say something like, “Trying to make ends meet and retain teachers for more than 18 months in a high-cost area through being part of an inspiring community that works together.” Some people, of course, are trying to do just that, but we have to read between the lines of the waffle to even discern a hint of it. Nowhere on those glossy, newly branded websites do we find what we might want to know: how many unqualified teachers are being employed? What changes have been made as the school moves away from the national curriculum? Surely that is what should be up there in lights—the truth.

There is a further problem that the Cambridge experience has highlighted. The complex structures of MATs and academies make local accountability through the local media extremely difficult. They are of course overseen by the regional schools commissioners, another extraordinarily opaque structure, largely invisible to parents and the wider world; they have a slightly curious role, given that this Government abolished regions. Never mind; regional schools commissioners exist, but they are technically civil servants and so do not talk to the media. Schools going through this process are also reluctant to speak to the media, so it is not much of a surprise that few people in the local community have any idea what is going on. That might suit the Government’s purposes, but it is a rotten way to run public services in a democracy and it will come unstuck. It also raises the question: what are the Government so afraid the public might find out?

In passing—this is rather topical—let me say that Cambridge people are suddenly waking up to the fact that, through these subterranean and opaque processes, Cambridge is to be the beneficiary of a new free school promoted by none other than Mr Toby Young. I think I can say with some confidence, given what the whole world now knows about him, that Cambridge will want none of that. Perhaps the Minister can also give us some guidance on how that can be stopped.

Why does all this matter? Because the system spends and allocates public money to educate children. Why should parents and communities not be able to simply and quickly ask questions and get answers? MATs are bound to release reports periodically, but they do not give the information that parents and local community members would like to see. As I have suggested, academies work to different rules from local authority–supported schools, so can we at least work out how this is going? I ask the Minister: how many unqualified teachers are there in each MAT in my constituency? How have terms and conditions changed, and what impact has that had on pupils’ education? I hope he will be able to answer, but if he cannot, why not, and who can? And why are parents and communities being kept in the dark?

Beyond those practical questions, there is the wider question of what schools are actually for. Of course, they are primarily there to educate children and to help them to fulfil their potential and flourish, equipping them with skills and knowledge for their lives. However, schools are more than that; they are also community hubs that bring people together, allowing neighbouring families to have conversations and facilitating community events, and they are spaces that people can access in times of need. We have seen recently the excellent work that schools have done in communities that have been stricken by the consequences of austerity and the underfunding of councils. A recent press article highlighted the support that a school in Southwark gave to local refugees, far beyond the call of duty.

So we need to stop seeing schools in a vacuum of exam obsession, blinkered by assessment and rote, and see them as environments for growth and local development. Proper local representation on academy boards would help to provide the longer-term vision needed for seeing through the development of a school beyond a single cohort, giving communities the means to hold schools accountable to the people they serve.

Furthermore, within the fragmented, opaque system I have described, there are costs as well. The emergence of multi-academy trusts has, of course, led to competition between trusts, which want to gather more schools into their organisations. Instead of organisations working collaboratively for the public good, we have trusts eyeing each other up, eager to pick up schools that may have had a blip—and it is even better if they have some financial reserves. Perhaps it should be like in football, with a transfer window so that schools can have some periods of the year when they do not have to fight off predators.

In my constituency, there are around eight different multi-academy trusts, all vying for increased growth. Each of those trusts will, to varying extents, have people working on marketing, management structures, brand development and logos, and they will be paying audit fees. As always, it is public money that is being
spent. All this has resulted in a fragmented system of
overlapping, opaque organisations that use the public
purse in ways that no one understands locally.

It is all rather reminiscent of what happened to the
national health service under the previous Conservative
Government. I remember Frank Dobson having to
come in and clear up the mess, and famously saying to
competing NHS trusts that first and foremost they were
all part of the NHS and that providing public healthcare
needed to come first. Academy trusts need to be redirected
to the purpose of education and the public good, not
self-promotion.

As I have said, local education authorities were
by no means perfect everywhere. Conservative-run
Cambridgeshire certainly had and has its faults, but the
professional support offered to schools was an important
resource and should continue to be. I do not want to see
a situation in which, by a process of attrition, it is no
longer viable for such services to be available to schools.

I wish to draw my remarks to a close by looking
forward. Fortunately, I think it is possible to adapt
existing structures and improve local accountability
and representation. By bringing a few of the trusts
together, rebranding them as the education service and
adding the voices of councillors, parent governors and
trade union representatives, we could greatly improve
the accountability of these organisations to the communities
that fund them and that they should serve. In turn, we
would increase transparency, which would rebuild public
trust and embed our schools in their communities,
instead of imposing new rules without consultation.

I must say that some of us saw all this coming, which
is why in last year’s general election there was a different
vision on offer—one that was much closer to the points
I have just outlined. The Labour manifesto promised:

“We will...oppose any attempt to force schools to become
academies.”

It also promised:

“Labour will ensure that all schools are democratically accountable,
including appropriate controls to see that they serve the public
interest and their local communities.”

In my view, those who work in our schools, send their
children to them and support schools in their local
areas are best placed to give insight into the ways that
they should be run—a point that has been made frequently
by the shadow Secretary of State for Education, my
hon. Friend the Member for Ashton-under-Lyne (Angela
Rayner). I can say with confidence that that view is
shared by many of the people I spoke to in Cambridge
in preparing for this debate.

I hope that the Minister will give some assurances to
parents and staff at St Philip’s, and those at other
schools in and around Cambridge who are likely to find
themselves embroiled in similar discussions in coming
months. There is a new Secretary of State for Education,
so there is an opportunity for a new start and for
working with communities, rather than against them.

Sadly, this has been a debate about structures, when
in so many ways it would be much better if were talking
about standards and what is needed to support, encourage
and inspire teachers, who we know are the real key to
higher standards. We should also be talking about how
to pay those teachers sufficiently so that they can live in
high-cost areas such as Cambridge, and so that they
stay, rather than go, as happens all too often. I hope
they will hear that the Minister has listened, and that
the message from the Government will be, “We will
work with you and help you to improve.” I hope the
message is not that the only way is academisation by
one route or another, because that is what it has felt like
in Cambridge and, I fear, in many other places as well.

7.19 pm

The Minister for School Standards (Nick Gibb): I
congratulate the hon. Member for Cambridge (Daniel
Zeichner) on securing this debate, which is timely as it
allows me to outline why academies are an important
element in the Government’s success and drive in raising
standards in our schools. Today, there are 1.9 million
more pupils in schools graded by Ofsted as good and
outstanding than there were in 2010. Standards are
rising in our secondary schools and in our primary
schools. Teachers have more autonomy now to run their
schools, and 154,000 more six-year-olds are reading
more effectively as a consequence of not only the hard
work of teachers but the reforms implemented by this
Government. There are more young people taking double
or triple science today: 91% are entered for those GCSEs
today compared with 63% in 2010.

We are a Government determined to raise academic
standards right across the system in our schools. The
reason why we are having this debate today and why
the hon. Gentleman is raising these issues stems from the
fact that Cambridgeshire County Council was concerned
about standards at St Philip’s Primary School, which is
why it issued a warning notice to the school. It is from
that that we have the establishment of the interim
executive board, which is now consulting parents about
converting the school into an academy to be run by a
multi-academy trust. There have been many hundreds
of responses to the consultation process and it has
extended the time for the process, so it does want to
work with the local community and with parents. It
wants to hear parental views. The overriding objective
of the regional schools commissioner, this Government
and Cambridgeshire County Council is to see standards
improve in all our schools right across the country.

Since 2010, the number of schools benefiting from
academy freedoms in this country has grown from 200,
when the previous Labour Government left office, to
more than 7,000. The system that academisation brings
started under the previous Labour Government, and we
have built on that process to give professionals the
autonomy to run their schools free from political
interference and to raise standards. We have now reached
the point where 7,000 schools have that professional
autonomy and that academy status.

More than a third of state-funded schools are now
part of an academy trust. The multi-academy trust
model is a powerful vehicle for improving school standards
and raising academic standards by sharing, for example,
financial back-office skills, facilities and teaching resources
and partnering the best of our state-funded schools
with schools that are struggling. Two thirds of our
academies are converter academies. These are good
schools that made the decision to become an academy,
and many of them have established multi-academy trusts,
partnering other schools to improve them. A further 2,000 schools
have become academies with the support of a sponsor
to help them to raise the quality of education that they
are providing.
Since 2014, the number of MATs has doubled. As of 1 January this year, 79% of all academies are in a multi-academy trust, with 62% of those academies in a MAT of five or more schools. Academies have been raising academic standards. More than 450,000 pupils now study in good or outstanding sponsored academies, which were previously typically underperforming schools. Pupils in secondary converter academies are making more progress between the ages of 11 and 16 than pupils in other types of schools, and 90% of converter academies are rated as good or outstanding. For sponsored academies, since 2010, 65% of schools that were previously inadequate under local authority control are now rated good or outstanding since becoming a sponsored academy, where an inspection has taken place.

A good example of what academy sponsorship is able to achieve is the Harris Academy Battersea, which is the highest performing sponsored academy in England. In 2017, it registered a progress 8 score of 1.49, placing it within the top 1% of all schools. The National Foundation for Educational Research reported that sponsored academies are significantly more likely to be rated as outstanding compared with similar local authority maintained schools. The professional autonomy of academy status leads to a more dynamic and responsive education system, giving head teachers the opportunity to make decisions based on the interests of their pupils and on local need, and it allows high-performing schools to spread that excellence across to other schools. The Government are determined to raise academic standards leads to a more dynamic and responsive education system, giving head teachers the opportunity to make decisions based on the interests of their pupils and on local need, and it allows high-performing schools to spread that excellence across to other schools. The Government are determined to raise academic standards, and it allows high-performing schools to spread that excellence across to other schools.

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Daniel Zeichner: I am grateful to the Minister for an intervention. He will know that there are other views about the success of these processes. I shall put it to him again the essential point in my speech. If a school has recovered, its results are good and it is doing well, and if there is clearly strong support for it, as in this case, why would we want to destabilise it when there is strong support in the local community for it to stay as it is?

Nick Gibb: As I have said, in 2016, Cambridgeshire County Council issued the school with a warning notice. To ensure sustainability of standards the interim executive board was established. The board is consulting on the next steps, and it has made the decision that it is best for the school to become an academy under the diocese. It is consulting on that decision, and it is taking parents' views into account. It had a meeting today, as the hon. Gentleman said, and it will continue to go through the process.

Overall in Cambridgeshire, 97% of secondary schools are academies or free schools, and we expect that to be 100% shortly. One third of primary schools are currently academies or free schools, and that number is expected to rise in the coming year, with 17 schools currently moving to academy status. In the hon. Gentleman’s constituency, there are six secondary schools. Five of them are academies, and the remaining school intends to become an academy this term. There are 23 primary schools and a maintained special school. Just two of the primary schools are academies or free schools, and four primary schools are currently going through the process of joining a multi-academy trust, which is significantly lower than elsewhere in Cambridgeshire.

In September 2014, 82% of primary schools in Cambridgeshire were rated good or outstanding by Ofsted. In November last year, that rose to 91%, which is above the national average. Four of the five secondary academies have positive progress 8 scores, including Chesterton Community College, part of Cambridgeshire Educational Trust, which is in the top 1% of schools nationally and was recently graded by Ofsted as outstanding. Cambridgeshire Educational Trust is a great example of the development of the school-led system in which teaching approaches have raised academic results. It has successfully transferred that outstanding practice to a long-standing underperforming secondary school in Norfolk, and it has received approval to establish two new free schools in 2017, including a post-16 mathematics school in Cambridge, working in partnership with the university.

Daniel Zeichner: I appreciate the Minister’s generosity in giving way again. I deliberately tried not to single out organisations apart from the one that stimulated this debate. However, on the back of that eulogy, may I remind the Minister that he has not taken the opportunity to answer any of the questions that I posed? How many unqualified teachers have been employed? What changes to terms and conditions have been made in the multi-academy trusts to which he referred? It is hard to know how to find out.

Nick Gibb: The Diocese of Ely multi-academy trust does not use unqualified teachers in its schools. Nationally, about 95% of teachers are qualified. Many teachers who do not have qualified teacher status generally have a skill, knowledge or experience to bring to the school, which is why schools employ them.

Where standards do not meet expectations, the regional schools commissioner and the local authority work together to target underperformance. Action has been taken to ensure sustainable school improvement, including requiring poorly performing schools to join multi-academy trusts. For example, North Cambridge Academy, formerly Manor Community College, has been transformed by Cambridgeshire Meridian Academies Trust. It began as a school in special measures, but is now graded as good, with pupils’ progress in the top 30% nationally.

I am aware that the hon. Gentleman has been involved with the St Philip’s Church of England Aided Primary School in Cambridge. As I said, the local authority established an interim executive board at the request of the former governing body, which felt unable to address the performance concerns at the school. Part of the interim executive board’s role has been to consider the school’s long-term future. Its decision on the future of the school is being discussed at the meeting today, which will include full consideration of academy status following a consultation exercise with parents and the community. The regional schools commissioner, Sue Baldwin, met the hon. Gentleman in October to discuss the future of the school. There is a strong relationship between Cambridgeshire County Council and the regional schools commissioner team, and they meet on a regular basis.
Standards in our primary and secondary schools are rising. The Government's education reforms have meant that 1.9 million more children attend good or outstanding schools compared with 2010. The academisation programme that the hon. Gentleman discussed has been key to raising those academic standards.

Question put and agreed to.

7.30 pm

House adjourned.
Oral Answers to Questions

INTERNATIONAL TRADE

The Secretary of State was asked—

1. Martyn Day (Linlithgow and East Falkirk) (SNP): What his policy is on the UK joining the Trans-Pacific Partnership after the UK leaves the EU. [903209]

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): First, I warmly welcome my hon. Friend the Member for Beverley and Holderness (Graham Stuart) to my ministerial team, where he will serve as the Minister for investment. I also pay tribute to the fantastic job that his predecessor, my hon. Friend the Member for Wyre Forest (Mark Garnier), did over the course of his time in the Department.

It is right that the Government prepare for all possible outcomes from leaving the EU, including preparing for no deal. We will consider a range of options as we establish our independent trade policy on a bilateral, plurilateral and multilateral basis. The Asia-Pacific region is a very important market and an engine for future global growth. We are closely following progress of the comprehensive and progressive agreement for the Trans-Pacific Partnership.

Dr Fox: These are not mutually exclusive. We want an open and comprehensive trading agreement with the European Union because it is an important part of our trade. However, TPP trade is already 14% of GDP—it would be 40% were the US to rejoin—and, as the International Monetary Fund has said, 90% of global growth in the next 10 to 15 years will occur outside Europe, where there will be important markets for the United Kingdom.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Surely the Secretary of State would agree that no Trans-Pacific Partnership trade deal will make up for the loss of the European Union market. Has he seen this morning’s independent report, commissioned by the Mayor of London, that shows that the catastrophic effect leaving the EU will have on our business and so many jobs?

Dr Fox: As usual, I do not accept the premise of any part of this question. I do not believe that we will necessarily lose our share of the market. We want to maintain an open agreement with the European Union, and it will want to maintain an open agreement with us, because we are the fifth biggest economy in the world and a major trading partner for it. Of course, this morning’s report was anything but catastrophic. In fact, its worst assessment was less than half the assessment that was given to us before the European referendum on what our loss of market share might be if there were no deal whatsoever.

Barry Gardiner (Brent North) (Lab): I, too, welcome the new arrival to the Government Front Bench. I also welcome yesterday’s trade statistics. The Secretary of State and I may disagree over how much that owes to the depreciation of sterling, but we both agree that the narrowing of the trade deficit is a very good thing.

With regard to the TPP, the Secretary of State says, “These are not mutually exclusive”, but he must account for regulatory alignment, which is part of the impact that joining the TPP would have. Indeed, the former permanent secretary at the Department for Business, Energy and Industrial Strategy declared that joining the TPP would be “cloud cuckoo land”. Does the Secretary of State consider that regulatory alignment to a trade agreement negotiated in secret to suit the economies of the Pacific Rim, which constitute under 8% of our export market, is a viable proposition for our country?

Dr Fox: I am in favour of trade liberalisation, whether it is bilateral, plurilateral or multilateral. If we can achieve openness in the global trading environment so that we can get global trading volumes up, that is of benefit not just to the United Kingdom but particularly to developing countries that should be able to trade their way out of poverty and not depend on aid.

Export Strategy

2. Mrs Pauline Latham (Mid Derbyshire) (Con): What recent progress has he made on the development of the Government’s export strategy. [903211]
Mr Mark Prisk (Hertford and Stortford) (Con): Exports are rising, but still only from a small proportion of British businesses. We need more exporters and a change of business culture, so may I urge the new Minister, with his colleagues, to challenge business representative bodies to ensure that exporting in Britain is the norm, not the exception?

Graham Stuart: I am grateful to my hon. Friend. Few people in the House have done so much to promote exports, and he is one of the 28 trade envoys doing a fantastic job for the country. Alongside the envoys, my Department works with 43 business ambassadors, who are at the forefront of the change that he describes.

On the business representative bodies, the Department will engage with them in the export strategy review to ensure that the Government and the private sector work to provide businesses with the right practical, promotional and financial information to enable them to export.

11. [903222] Alison Thewliss (Glasgow Central) (SNP): Membership of the European Union single market is vital for Scotland’s economy. According to the Fraser of Allander Institute, 134,000 jobs in Scotland are supported by trade with the EU, and Brexit threatens to cost our economy £11 billion a year by 2030. Will the Minister reassure businesses in Scotland that they will continue to be able to export tariff-free to the world’s biggest single market after Brexit?

Graham Stuart: The hon. Lady is quite right to highlight and champion exports from Scotland, and she will know that the greatest export market for Scottish businesses is the rest of the United Kingdom. I can tell her that this Government will stay committed to promoting trade within the United Kingdom, with our neighbours in Europe and with the rest of the world to boot.

Bill Esterson (Sefton Central) (Lab): I, too, welcome the Minister to his place. I enjoyed serving with him on the Education Committee, and I look forward to debating these important matters with him.

Evidence to the former Business, Innovation and Skills Committee showed a budget of £23.6 million for the trade access partnership in 2013-14, which fell to £11.05 million in 2014-15 and to just £8 million the following year. We are now in the final quarter of this financial year and, just as last year, the Government still have not said what the current budget is. When are they going to end the uncertainty for business, and tell us how much money they are giving to support exporters who want to go to trade shows to promote exports for business and the economy?

Graham Stuart: As usual, I am afraid, Opposition Front Benchers are confusing inputs with outputs and outcomes. We are focused on promoting exports. We are doing that successfully, building on the position in 2010, and that is why we are seeing a record level of the manufacturing and other exports on which the hon. Gentleman’s constituents depend.

Trade Deals: Non-EU Countries

3. Tom Brake (Carshalton and Wallington) (LD): What progress he has made on securing trade deals with non-EU countries.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): As the Prime Minister set out in her Florence speech, the UK will seek a time-limited implementation period with the EU. We will prepare for our future independent trade policy by negotiating trade deals with third countries, which could come into force after the conclusion of the implementation period. To that end, we have already established a series of 14 working groups and high-level dialogues with key trade partners.

Tom Brake: Will the Secretary of State confirm that he is still on track to deliver 40 trade deals with non-EU countries after we leave the European Union in March 2019,
as he said he would be? Will he explain to the House what demands there have been from those countries for additional visas for their citizens to come to the United Kingdom, and how that impacts on the tens of thousands figure?

Dr Fox: The Government are indeed committed to ensuring continuity of the 40 or so EU free trade agreements after we leave the European Union, and that is why we introduced the relevant legislation this week. I am, however, rather disappointed that the right hon. Gentleman and his party saw fit to vote against that legislation, and deny British business that confidence.

Sir Desmond Swayne (New Forest West) (Con): Should we seek any level of protection, the agreements will take longer and yield less—won’t they?

Dr Fox: Our clear aim is to achieve continuity and stability. We want the agreements that we have already as part of the EU to be delivered safely and securely into UK law, and that is the point of the Trade Bill.

Emma Little Pengelly (Belfast South) (DUP): Concerns have been raised that the transitional arrangements may lead to significant changes to the detriment of the United Kingdom. Will the Secretary of State confirm that he is not intending to make any significant or substantive changes to any of the transitional arrangements?

Dr Fox: That is absolutely correct; we aim to keep the transitional arrangements as close as possible to the condition they are in today, given that we have some minor changes to make, for example in the disaggregation of tariff-rate quotas.

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): From the preliminary dialogue that my right hon. Friend has had with the United States, what assessment has he made of the prospect of doing a trade deal with that country?

Dr Fox: May I add my congratulations to my hon. Friend on his well-deserved recognition of the service that he has given to this House and his constituency? We have four working groups with the United States on continuity, short-term outcomes, the potential scoping of a future free-trade agreement, and working with the US at the World Trade Organisation. I am content that we are making progress on all fronts.

Chris Bryant (Rhondda) (Lab): I also welcome the Under-Secretary of State for International Trade, the hon. Member for Beverley and Holderness (Graham Stuart). He is a wonderful man, but I warn the Secretary of State not to send him anywhere at very high altitude because he is not very good with that.

The Secretary of State is right to try to pursue lots of good trade deals with countries outside the European Union, but is one of the major problems the corruption in some of the biggest countries? Brazil, Russia, India and China all fall very low down on Transparency International’s corruption perceptions index, and especially in Russia it is difficult for British businesses to do big business because they have to pay bribes all the time.

Dr Fox: The hon. Gentleman is right, and when I am having those discussions I often describe corruption as a supply-side constraint in many of those economies. If we are able to get trade agreements and good legal agreements, and if we make transparency a key element of that, we will be contributing to success on both sides.

SMEs: Exports

4. Iain Stewart (Milton Keynes South) (Con): What steps his Department is taking to support exports by small and medium-sized businesses.

8. James Morris (Halesowen and Rowley Regis) (Con): What steps his Department is taking to support exports by small and medium-sized businesses.

The Minister for Trade Policy (Greg Hands): We have three main ways to support exports by SMEs. First, the great.gov.uk website offers digital tools, and has had more than 2.7 million visitors; secondly, international trade advisers based across England are supporting businesses; and thirdly, UK Export Finance has provided £3 billion in support. Last year it helped 221 UK companies, 79% of which were SMEs.

Iain Stewart: I am grateful for that answer. An additional hurdle faced by many SMEs in growing their exports is obtaining affordable political risk insurance. What steps can the Minister’s Department take to help in that matter?

Greg Hands: My hon. Friend asks a good and pertinent question, and that is why UK Export Finance is working to ensure that SMEs can access the insurance that they need to export and invest overseas with confidence. Last year we launched an enhanced overseas investment insurance product to protect UK businesses against political risk when investing abroad, and I strongly recommend that product to companies in my hon. Friend’s Milton Keynes constituency.

James Morris: There has been a significant revival of small and medium-sized manufacturing in the Black country over the past two or three years, so does the Minister agree that we need to do all we can to support those small and medium-sized manufacturing companies in the Black country to access markets around the world with development potential?

Greg Hands: My hon. Friend makes a good, strong, pertinent point, which applies not just in the Black country but throughout the country. We have our export strategy, which will be reporting in the spring. I remind the House of our fantastic manufacturing figures—record growth in output, the highest in 10 years, growing 4% year on year according to new data just out. Confidence in manufacturing is at its highest in four years, according to the EEF.

Peter Grant (Glenrothes) (SNP): There is a very close relationship between small and medium-sized manufacturers’ success in exporting and the viability of small and medium-sized road hauliers, many of whom are seriously concerned at the possibility of incurring substantial additional costs and facing additional bureaucracy if we cannot get an agreement that,
for example, driving licences issued in the UK will be recognised in other countries when we leave the EU. What progress has been made in ensuring cast-iron guarantees that small road hauliers will not face any additional burdens in exporting to the EU after Brexit?

**Greg Hands:** As my right hon. Friend the Secretary of State has pointed out, we are seeking a barrier-free, frictionless trading arrangement with the European Union as we leave. May I point out that the hon. Gentleman is seeking to put in place the potential for barriers between Scotland and the rest of the United Kingdom? Sixty-four per cent. of Scottish exports go to the rest of the UK, compared with just 15% to the rest of the Union.

**Jim Shannon** (Strangford) (DUP): Many SMEs have identified external and internal finances as well as a lack of awareness of the support available to them as barriers to entering the export market. Will the Minister ensure that those concerns are addressed in the Government’s review of the export strategy?

**Greg Hands:** The hon. Gentleman makes a good point, and that is certainly very much part of the export strategy. I remind him and the whole House of some of the work we have been doing to ensure that finance is more accessible. We signed agreements in July 2016 and July 2017 with the leading UK banks to ensure that their SME customers can access finance more easily and that UK Export Finance assistance in particular is directly available.

**Regulatory Alignment with the EU**

5. **Afzal Khan** (Manchester, Gorton) (Lab): What assessment he has made of the implications for his Department’s policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK.  

**Dr Fox:** We are intending to maintain consistency with the agreements that we already have. That is why we brought the trade legislation forward. We do not anticipate any change in that; we intend it to be the same as it is to date, to provide continuity for business.

6. **Liz Twist** (Blaydon) (Lab): What assessment he has made of the implications for his Department’s policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK.

7. **Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): What assessment he has made of the implications for his Department’s policies of the joint declaration of 8 December 2017 on maintaining full regulatory alignment between the EU and the UK.

**Dr Fox:** Alignment is about pursuing the same objectives; it is not the same as requiring regulatory harmonisation. We hope that our agreement with the Republic of Ireland is covered by a full and comprehensive agreement with the rest of the European Union.

8. **Hannah Bardell** (Livingston) (SNP): The Irish Government have been clear that a deal that maintains regulatory alignment means free movement of people, goods and services across the border to Northern Ireland. Given that the United Kingdom Government have shown that they are willing to give a nation of the UK a differential deal, will they now bring to Brussels the Scottish Government’s proposals to keep Scotland in the single market and customs union, and if not, why not?

**Dr Fox:** Why not? Because when we leave the European Union we leave the single market and the customs union—it is not that complicated.

**Trade Deals: Developing Countries**

7. **Jeremy Quin** (Horsham) (Con): What assessment he has made of the potential effect of trade deals between the UK and developing countries on the economies of those countries.

**The Minister for Trade Policy** (Greg Hands): The UK is proudly spending 0.7% of gross national income on overseas development assistance—the first G7 country to honour its promise to do so. We are also committed to ensuring that developing countries can use trade as an engine of poverty reduction, and trade agreements play an important role in that. Our priority is to ensure that developing countries maintain their preferential access to the UK market as we leave the EU.
Mr Speaker: These texts are always delivered by Ministers in mellifluous tones, but they are often far too long. I know that there are people who scribble them for Ministers, but Ministers have a responsibility to recognise the virtues of the blue pencil.

Jeremy Quin: But I also recognise the wisdom of the Minister's answer, Mr Speaker, and I am grateful for it. I share his aspirations. Will he please remind the House what he will do to give those aspirations legislative effect?

Greg Hands: The Taxation (Cross-border Trade) Bill, which had its Second Reading on Monday, provides exactly for the scheme of preferences to be taken across into UK law. I find it extraordinary that the Opposition parties voted against it. They voted against the UK having its own trade preferences scheme for developing countries. That is a disgrace. I very much hope that they will reconsider their position as the Bill passes through the House of Commons.

Topical Questions

T1. [903224] Christian Matheson (City of Chester) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): Mr Speaker, you should see the length of the answers before we get to this stage.

My Department is responsible for UK exports, investment and trade policy. As we begin 2018, the House should note that in 2017 we achieved an all-time record for foreign direct investment. Our exports are up by 14% and employment is at a record level. Yesterday we saw that venture capital coming into tech firms was also at an all-time high, and that is before we consider the improvements in our manufacturing performance.

Christian Matheson: The Secretary of State does not want to trade under EU rules, under which we have considerable influence, but he is happy to trade under World Trade Organisation rules, under which we do not have very much influence. What does he find objectionable about EU trading rules that he does not find objectionable about the WTO?

Dr Fox: That is rather to misunderstand the situation, because the EU itself has to trade under WTO rules and is not exempt from them. We look forward to having our independent seat on the WTO, of which we are a former member, so that we can have a greater say in global trading policy, because as a member of the European Union we have none.

T4. [903227] Stephen Metcalfe (South Basildon and East Thurrock) (Con): What practical steps is my right hon. Friend's Department taking to increase capacity in developing countries to trade their way to sustainable growth?

The Minister for Trade Policy (Greg Hands): Assisting trade capability in the developing world is one of the key parts of our official development assistance strategy, launched by the Department for International Development last year. In Buenos Aires last month the Secretary of State and I announced a big increase in funding for the WTO's enhanced integrated framework, which does precisely that, making the UK the largest donor to that WTO fund.

Barry Gardiner (Brent North) (Lab): The steel industry has repeatedly complained that the Government are not prepared to impose penalties on exports from countries with significant market distortions. America is clear, having imposed penalties on China under section 232, and the EU is clear, having recently voted to pass new anti-dumping rules, but the Secretary of State has constantly ducked the issue and refused to say what his Department will do after we leave the EU. When will he give the steel industry a straight answer?

Dr Fox: What a cheek, in the very week that Labour voted against our ability to impose any penalties whatsoever in future. The steel industry and steelworkers in this country were betrayed this week by Labour Members, who would leave them as sitting ducks for dumping and subsidy, such is their love for their new hard-left, anti-trade ideology.

Dr Fox: My hon. Friend makes an important point. The Government are committed to seeking continuity in our current trade and investment relationships, including those covered by EU trade preferences. Scotch whisky is a very important part of our exports and we want to maintain the vital bilateral dispute mechanisms, all of which are part of Scotch whisky's contribution to our economy.

T2. [903225] Jeff Smith (Manchester, Withington) (Lab): In setting up the Trade Remedies Authority, the Government will need to include a full range of skills, knowledge and experience. Will that include representations from the devolved Governments and trade unions?

Dr Fox: The Government are still looking at the potential membership. Of course before we can do so we have to have the legal basis for establishing the Trade Remedies Authority. The hon. Gentleman voted with his party against its establishment.

T5. [903228] Vicky Ford (Chelmsford) (Con): Last year, I welcomed Nesta and Sage to Parliament when they launched their report on the state of small businesses. It said that just 18% of British small and medium-sized enterprises are exporting around the world, so what more can the Department do to help our innovative small businesses, especially in providing more information on the local rules and regulations those companies face in other markets?

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): I thank my hon. Friend for that question and for all she does to champion Chelmsford exporters, building on her great expertise in the European Parliament and elsewhere.
The Department does huge amounts to support small businesses to export and, as my right hon. Friend the Minister for Trade Policy explained earlier, we are seeing significant success in that regard. Baroness Fairhead recently announced a new great export readiness tool on great.gov.uk to help SMEs better to understand how export-ready they are and what they can do to start exporting or to expand their exporting activity.

Dr Fox: All arms exports are covered by the consolidated criteria and, as the recent judicial review showed, the Government pay very due attention not just to the letter, but to the spirit of the consolidated criteria.

Dr Fox: Of course we look at all possible scenarios, but I reiterate what I have said several times today: we want to see an open and comprehensive trading agreement with the European Union, because that is good not only for the United Kingdom but for the European Union. European member states are looking for their companies to have access to the UK market, just as we are doing the other direction.

Martin Vickers (Cleethorpes) (Con): Last month, I welcomed a delegation from Taiwan to my constituency, where we met representatives of the offshore renewables sector and the seafood sector. Will Ministers work with me and with local businesses to ensure that we maximise our exports to that growing market?

Several hon. Members rose—

Mr Speaker: Order. I am sorry but demand has exceeded supply, as is commonplace, and we must now move on.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Apprenticeships

1. Trudy Harrison (Copeland) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903232]

3. Gillian Keegan (Chichester) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903234]

12. Sir David Amess (Southend West) (Con): What steps the Government are taking to ensure that women are able to access high-quality apprenticeships. [903245]

The Minister for Women and Equalities (Amber Rudd): It is good news that women now account for over half of all apprentices. We continue to implement apprenticeship reforms to improve the quality of apprenticeships for all, and we are using the employer apprenticeship diversity
champions network to champion gender representation in industries where greater participation by women is still needed.

Trudy Harrison: I thank the Minister for her response. The National College for Nuclear opens in my neighbouring constituency on 9 February. This will add to an already fantastic asset of training facilities with world-class equipment. What steps are the Government taking to ensure that young people with disabilities are able to access these training courses and apprenticeships?

Amber Rudd: It is great news that the National College for Nuclear is opening shortly, enabling young people and others in the area to access the sort of education and skills that they need for the future. We want to ensure that apprenticeship opportunities are open to all people, and of course that includes people with disabilities. We provide additional funding to employers and training providers working with apprentices with disabilities, to support their learning and enable adjustments to the workplace. As well as engaging employers through the apprenticeship diversity champions network, we are working to ensure that Disability Confident bidding is clear for vacancies on the Find an Apprenticeship website, including those for engineering roles.

Gillian Keegan: The further education college and the university in Chichester offer a wide range of courses giving young people in my constituency access to high-quality apprenticeships. However, I am concerned that only 21% of places for degree-level apprenticeships in digital, tech and management are filled by women. That is the same as it was 30 years ago when I did that apprenticeship. What is my right hon. Friend doing to encourage more women and girls to take up apprenticeships as a pathway to a successful career?

Amber Rudd: My hon. Friend raises an important point. It is not enough that more than 50% of apprenticeships are being taken up by women. We want to ensure that there is greater diversity, particularly in areas where lower numbers of women are participating than we would like. Our careers strategy sets out how many women born in the 1950s—what is the same as it was 30 years ago when I did that apprenticeship. What is my right hon. Friend doing to encourage more women and girls to take up apprenticeships as a pathway to a successful career?

Sir David Amess: I am delighted that 580 people started apprenticeships in Southend last year. Will my right hon. Friend please advise me on what more she started apprenticeships in Southend last year. Will my right hon. Friend please advise me on what more she can do to incentivise local employers to offer even more workable solutions to eliminate such barriers?

Jim Shannon (Strangford) (DUP): Is the Minister aware of the latest report from the Young Women’s Trust? It shows that two in five apprentices spend more money in completing their apprenticeship than they earn and that women face an 8% gender pay gap. Is the Minister prepared to act on the trust’s recommendations to increase the number of women accessing high-quality apprenticeships?

Amber Rudd: It is essential that we give women all the opportunities that we can to access the high-quality apprenticeships to which the hon. Gentleman refers. I have not seen that report, but I will certainly take a look and come back to him.

Women’s Refuges

2. Afzal Khan (Manchester, Gorton) (Lab): What steps the Government are taking to ensure the provision of sufficient women’s refuges.
Women in the Scottish Economy

4. Mr Alistair Carmichael (Orkney and Shetland) (LD): What recent discussions she has had with the Secretary of State for Scotland on the Sawers report on Womenomics.

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Sawers report highlights many of the issues women face in the workplace. The gender pay gap in Scotland is at a near record low, but it must be eradicated completely. The Minister for Women and Equalities regularly meets Cabinet colleagues to discuss such important issues.

Mrs Latham: Engineering is a vital employment sector for residents of Mid Derbyshire, both in small and medium-sized enterprises and in larger companies like Rolls-Royce, Bombardier and Toyota. Will my right hon. Friend update the House on which external partners in Derby have signed up to the Year of Engineering campaign?

The Minister for School Standards (Nick Gibb): The Year of Engineering is an opportunity to tackle historical gender stereotypes. Throughout 2018, the Year of Engineering campaign will highlight the variety and creativity of engineering to improve the understanding of what engineers do and of the enormous opportunities that a career in engineering offers both to young men and young women.

Carol Monaghan (Glasgow North West) (SNP): One of the biggest barriers to women and girls entering careers in engineering and physics are the perceptions and expectations of parents. What work is the Minister doing during the Year of Engineering to encourage parents to look at the career options?

Nick Gibb: My hon. Friend has almost answered the question for me. She is right that Rolls-Royce, Bombardier Transportation and Toyota have all pledged to support the Year of Engineering campaign through activities in schools, both nationwide and in the Derby area.
A-level physics has risen from 5,800 in 2010 to 6,947 in 2017. Overall, the number of girls taking STEM A-levels has increased by 20% since 2010.

Robert Halfon (Harlow) (Con): As well as ensuring that careers advice encourages more women into engineering, will my right hon. Friend look at financial incentives and at how the apprenticeship levy is working to incentivise companies to employ more women in engineering?

Nick Gibb: My right hon. Friend is quite right. We introduced the apprenticeship levy to boost the importance of apprenticeships. We delivered more than 2 million apprenticeship starts in the last Parliament and are committed to 3 million apprenticeship starts in this Parliament, because this is a Government who are committed to high-quality skills in our economy. The apprenticeship programme is part and parcel of that ambition.

Budget Gender Impact Analysis

6. Mike Amesbury (Weaver Vale) (Lab): If the Government will commission an independent gender impact analysis of the autumn Budget 2017. [903237]

The Financial Secretary to the Treasury (Mel Stride): For all Budgets, Treasury Ministers very carefully assess the gender impact of the various measures under consideration. We do that as a statutory duty, but we also do it because it is our firm policy to do so. Of course, one of our centrepieces in the Budget was the 4.4% increase in the national living wage from this April, which will disproportionately benefit women.

Mike Amesbury: Women still bear the brunt of the Government’s failed austerity agenda. What was the Minister’s assessment of the autumn Budget’s financial impact on women and those with protected characteristics?

Mel Stride: As the hon. Gentleman will know, the Government constantly carry out assessments. There are various assessments of the impacts of all fiscal events, but I point him not only to the national living wage increase, which disproportionally benefits women, but to the personal allowance increase that takes many, many measures—I have just listed some of them in the recent Budget—that specifically assist women on issues such as childcare, the personal tax allowance increases and the national living wage increase that will come in from this April. We will continue to rigorously assess all measures, as we do around all fiscal events, to ensure that women are treated fairly and are an absolute priority for this Government.

Pregnancy and Maternity Discrimination Tribunals

7. Mohammad Yasin (Bedford) (Lab): If she will discuss with Cabinet colleagues the adequacy of the time limit for a woman to bring an employment tribunal claim for pregnancy and maternity discrimination.

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): Discrimination against pregnant women and new mothers is wholly unacceptable, but research the Government commissioned with the Equality and Human Rights Commission did not suggest the three-month time limit for bringing a claim to an employment tribunal was a particular barrier to pregnant women and new mothers. However, the rules permit an extension to that time limit if needed, and of course we will consider further guidance on this if that would be helpful.

Mohammad Yasin: What steps are this Government taking to prevent further job losses after reports exposed the fact that on average 54,000 new mothers lose their jobs each year because of maternity discrimination?

Victoria Atkins: We have to make sure the message is clear to employers that this sort of discrimination is wholly unacceptable, and give new mothers and pregnant women the courage to put forward a claim if it is appropriate. But the message from the Government is clear: this is not acceptable.

Mrs Maria Miller (Basingstoke) (Con): In response to the Women and Equalities Committee report, the Government have already agreed to act on this issue. Will my hon. Friend update the House on whether the president of the employment tribunal will be issuing guidance in this area on the extension powers she has already mentioned? My hon. Friend the Member for Esher and Walton (Dominic Raab) has also agreed to start collecting data on applications for time extensions on maternity-related cases. Will the Minister undertake to update the House in future on the progress on that?

Victoria Atkins: In late 2016, the Select Committee, which my right hon. Friend chairs, published a report on this. The recommendations were considered and the research we commissioned with the EHRC did not suggest that the three-month time limit for bringing a claim to the employment tribunal is a barrier. I will of course look into it and write to her.

Angela Crawley (Lanark and Hamilton East) (SNP): I welcome the new Women and Equalities Minister to her place and pay tribute to the right hon. Member for Putney (Justine Greening) for her dedication to the role. In January last year, the Women and Equalities Committee joined the Justice Committee in calling for an extension of the deadline from three to six months. In response, the Government said that they would keep the time limit for claims to be submitted under review, and we have heard a continuation of that narrative today. Since the statement, the Supreme Court ruled that the UK
must abolish tribunal fees and repay those who had made their claim. Is now therefore not the time to make a full review of that system of delivery, remove the further barriers and make a serious commitment today to increasing that time limit to six months?

Victoria Atkins: As I say, the Government continue to keep this under review. Following the Supreme Court judgment on employment tribunal fees, we stopped charging fees immediately and arrangements are being put in place by the Ministry of Justice to refund the fees to those who have paid in the past. As I say, this point on discrimination against new mothers and pregnant women is very much being kept under review.

Suffrage Centenary Fund

8. Kirstene Hair (Angus) (Con): What recent discussions she has had with her counterpart in the Scottish Government on plans for the suffrage centenary fund.

The Minister for Women and Equalities (Amber Rudd): This year marks a milestone in our democracy; we will celebrate the achievements of outstanding women who have fought for gender equality. The Scottish Government are receiving centenary funding through the application of the Barnett formula. The Government Equalities Office has monthly meetings with the devolved Administrations, who are responsible for how they choose to mark the centenary in their respective nations.

Kirstene Hair: I commend the Government on the establishment of the suffrage centenary fund to ensure that this important milestone is marked. Last year, I wrote to the Scottish Government Minister responsible, but I have received no response. Does the Minister share my belief that the devolved Administrations should spend the funds allocated to them to ensure that the centenary is properly celebrated in all parts of the United Kingdom?

Amber Rudd: Women throughout the UK went to the ballot boxes for the first time in 1918, and all four nations contributed to that landmark change. The Scottish Government are like the Welsh Government and the Northern Ireland Executive—they are all responsible for how they choose to mark the centenary in their respective nations. I understand that the Scottish Government will announce their plans shortly, but I have received no response. Does the Minister share my belief that the devolved Administrations should spend the funds allocated to them to ensure that the centenary is properly celebrated in all parts of the United Kingdom?

Hannah Bardell (Livingston) (SNP): Does the right hon. Lady agree that, as part of the celebrations, a fitting tribute to the great Winnie Ewing, who was elected 50 years ago last year, would be a portrait in the House of Commons?

Amber Rudd: Well, Mr Speaker, I am sure that you listened carefully to that question, as I understood that that is a matter for the Speaker’s Advisory Committee on Works of Art.

Mr Speaker: The Works of Art Committee is a very important Committee. I have a feeling that the hon. Member for Livingston (Hannah Bardell) is going to beetle her way towards it and pitch in person. I am sure that the Committee looks forward to that prospect with eagerness.

Parental Leave

9. Christine Jardine (Edinburgh West) (LD): What steps her Department is taking to promote the right to a balanced share of statutory pay for mothers and fathers taking parental leave.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths): Perhaps I should begin by declaring an interest: Mrs Griffiths and I are expecting our first child in April. As the Minister responsible, I will be taking my full paternity leave.

Shared parental leave and pay was developed by the coalition Government. It enables working couples to share child care responsibility in the first year. It is a radical step forward in the challenging of cultural expectations about the roles of men and women and the idea that the mother is always the primary carer. The Government understand the pressures on working families. We are taking steps to improve the take-up of the scheme, about which I shall say more in due course.

Christine Jardine: I welcome the Minister’s comments and agree that the introduction of shared parental leave and pay was a radical step that is making a difference, but is he aware that fathers get only the mother’s basic maternity pay, which is not enhanced in any way, so uptake of the scheme has been less than 1½%? Will he look into this matter, particularly in the light of the court ruling in Snell v. Network Rail, and ensure that dads get a better deal?

Andrew Griffiths: There would be significant costs to the taxpayer and business were we to increase the rates of parental pay. We are not ruling that out, but it is important that we understand the facts before we change any policy. I am sure that the hon. Lady will be pleased that the Government have done a huge amount to support fathers and mothers in relation to parental leave. We have cut income tax for more than 13 million women, introduced tax-free childcare and extended free childcare for three and four-year-olds to 30 hours a week, and we are funding people to return to work after a time out. We are a Government who understand the pressures on working families and we are working to help them in their time of need.

Domestic Abuse

10. Alan Brown (Kilmarnock and Loudoun) (SNP): What steps her Department is taking to support other Government Departments better to assist victims of domestic abuse.

The Minister for Women and Equalities (Amber Rudd): The Home Office co-ordinates the cross-Government approach to tackling domestic abuse through our violence against women and girls strategy, which has committed increased funding of £100 million to support victims.

Alan Brown: The Scottish Government are providing essential training to around 14,000 police officers to help them to spot coercive control. What discussions
has the Minister had with herself, in her role as Home Secretary, about the Home Office providing similar training for the police in England and Wales?

Mr Speaker: I do not know whether the Minister is going to admit to talking to herself, but I think we are about to discover.

Amber Rudd: I shall draw a veil over that particular suggestion, but as the hon. Gentleman is aware we have introduced a new offence of coercive or controlling behaviour, which is an important part of our efforts to make sure that we support women and that we address additional forms of abuse that take place in that way. We have also rolled out domestic violence protection orders. Most importantly, this year we will introduce a domestic abuse Bill to do everything we can to protect victims and bring perpetrators to justice.

Topical Questions

T1. [903248] Eddie Hughes (Walsall North) (Con): If she will make a statement on her departmental responsibilities.

The Minister for Women and Equalities (Amber Rudd): This year marks the centenary of the first British women getting the vote. We should not forget what it took to achieve that. Hunger-striking suffragettes were brutally force-fed with tubes—a process so painful that it could cause lifelong injuries and even make the prison wardens cry in horror. Those who marched in favour of women’s rights were pelted with rotting vegetables, rocks, and even dead rats. Suffragette Emily Davison was trampled to death by the King’s horse when she walked on to the track to protest. It is only right that we honour the extraordinary efforts and sacrifices of those remarkable women, as well as the landmark change that they brought about. The Government will be making sure that we provide the necessary funds and support to do exactly that.

Eddie Hughes: In the 21st century, surely women deserve total equality. Will the Minister tell us what steps the Government are taking to ensure that there is not a pay gap in the civil service in light of the fact that Carrie Gracie recently resigned as China editor at the BBC, citing pay issues there?

Amber Rudd: I thank my hon. Friend for raising that important element. It is absolutely essential that we all ensure that the Equal Pay Act 1970 is enforced. As much as I admire the BBC and enjoy listening to and watching its programmes, it clearly has a very serious question to answer here, which I certainly hope that it will address. On the gender pay gap, we are committed to ensuring that we address that, and, of course, we have new disclosure arrangements.

Dawn Butler (Brent Central) (Lab): I, too, welcome the additional burden put on the Minister in her new role, and thank the former Minister for her work. On 26 August 2016, the Prime Minister began her PR exercise on the race disparity audit. On 10 October 2017, the Government released the data. This week, as chair of the all-party parliamentary group for governance and inclusive leadership, I launched the Investing in Ethnicity and Race in the Workplace maturity matrix, a free resource for businesses. Will the Minister explain what steps the Government have taken to act on the findings of the race disparity audit?

Amber Rudd: I thank the hon. Lady for her welcome and I very much look forward to working with her in this House. I have not yet seen her report, but no doubt, after these questions, she will be kind enough to give me a copy of it. The publication of the race disparity audit shows how committed this Government are to ensuring that, where we find race disparity, we will address it. Each Department is looking at the specific recommendations and will come forward with how they will address them.

T2. [903249] Mike Amesbury (Weaver Vale) (Lab): Harriet Shaw Weaver from Frodsham in my constituency was among the many suffragettes who helped women secure the right to vote a century ago. What steps are the Government taking to ensure that, in this centenary year, they address the lack of women’s representation in Parliament?

Amber Rudd: I thank the hon. Gentleman for raising that matter. I am aware that it is a concern among people who are disabled, particularly among blind people. I just point out that autonomous vehicles will not necessarily be so quiet: the autonomous nature of them means that they will not be driven by an individual, and the noise level will depend on whether they are petrol, diesel or electric, but certainly I have been having conversations with officials at the Department of Transport, and we will make sure that they are aware of that very serious concern.

Justine Greening (Putney) (Con): First, let me congratulate the Home Secretary on her expanded role. I know that she will do a brilliant job. She will know that young people, parents and teachers think that it is vital in a modern internet world to see sex and relationships education updated. Can she confirm that the Government will push ahead with updating the guidance, which is now so out of date, and that she will meet me, my right hon. Friend the Member for Ruislipstoke (Mrs Miller) and the hon. Member for Rotherham (Sarah Champion) to make sure that we can have cross-party support for the work that is being undertaken?
Amber Rudd: I thank my right hon. Friend for the enormous good work that she did in this role. I will try my best to keep up the momentum that she provided. One of the fantastic things that she did was lead on making sure that sex and relationships education will be provided in all schools. I will be delighted to work with her to ensure that that is the case, and also across the House to ensure that the outcome that we get is one that the whole House can support, as I know that everybody believes in its importance.

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I am delighted to answer the hon. Lady’s question. I will certainly ensure that the Minister for Disabled People and the Transport Secretary have an address for that particular point and will write to the hon. Lady.

Mrs Maria Miller (Basingstoke) (Con): There is a growing concern about the use of non-disclosure agreements in connection with employment. Will my right hon. Friend join me in condemning the use of non-disclosure agreements to conceal wrongdoing of any kind, and to encourage legal regulators to consider whether they are, in fact, ethical?

Amber Rudd: I look forward to working with my right hon. Friend and her important Committee. She has raised an important matter; transparency is such an important part of achieving equality, so I look forward to working with her on this to establish the right way forward.

Ms Karen Lee (Lincoln) (Lab): I welcome the Minister to her new role. The BBC claims that 14.5% of its staff are from black, Asian and minority ethnic backgrounds. But others, including Lenny Henry, have claimed that if we look at the staff who actually make the BBC’s programmes, that figure falls to just 1.5%. Is the Minister concerned that there is a major problem with BAME representation at the BBC, and what discussions has she had with the BBC about what it is doing about it?

Amber Rudd: I thank the hon. Lady for raising that point, as I had not seen those particular figures. They draw attention to the fact that the overall number suggesting that there is equality sometimes hides the fact that there is nowhere near equality in the specialist areas—often the higher paid areas. I take very seriously the point she has raised, about which there are additional questions for the BBC to answer.

Philip Davies (Shipley) (Con): Last year, the Government advertised for a disability rights commissioner. Lord Shinkwin applied for the post, was appointed to the post and was promptly told that the post had been abolished at the Equality and Human Rights Commission. Will the Secretary of State for Work and Pensions reverse the disgraceful decision to abolish the post of disability rights commissioner and restore Lord Shinkwin to his rightful position in that post?

The Minister for School Standards (Nick Gibb): The disability commissioner role was an operational matter for the EHRC itself. The Secretary of State has no powers to appoint or reinstate a disability commissioner.

T5. [903250] Dr Philippa Whitford (Central Ayrshire) (SNP): The requirement for all bus drivers to undertake disability equality training has been standard across the EU since 2013, and the UK’s five-year opt-out ends on 1 March. The Scottish Government have produced their accessible travel framework. Will the Minister tell us whether standardised training will be in place within the next six weeks across England so that the UK meets its obligation and disabled passengers can really access public transport?

Amber Rudd: I thank the hon. Lady for raising that issue. What more can the Government do to tackle this insidious problem?

Rachel Maclean (Redditch) (Con): It is evident that some of the largest graduate employers in the country are paying men and women different rates when they start in the workplace, and we know that the gender pay gap widens as women progress through the workplace and reach the exalted ages of myself and some others. What more can the Government do to tackle this insidious issue?

Amber Rudd: We are very serious about tackling the gender pay gap. From April this year, any employer with more than 250 employees will need to publish that pay gap. It is through transparency that we will get real change.

Thangam Debbonaire (Bristol West) (Lab): Will the Government carry out an economic impact assessment on the value of investing in a comprehensive childcare provision across the country, in particular looking at the impact on women and gender equality?

The Financial Secretary to the Treasury (Mel Stride): As I said earlier, we already carry out a wide variety of different impact assessments, including in the kind of area to which the hon. Lady alludes. If she would like to write to me with further details of the exact aspects she is interested in, I would be very happy to consider them.
Hamed bin Haydara

10.39 am

Bob Blackman (Harrow East) (Con) (Urgent Question): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the death sentence verdict made against Hamed bin Haydara, a Yemeni Bahá’í, in Sana’a on 2 January this year.

The Minister for Europe and the Americas (Sir Alan Duncan): We are very concerned that the Bahá’ís are being persecuted for their religious beliefs in Yemen, particularly in areas controlled by the Houthis and forces aligned to the late former President Saleh. We strongly condemn this mistreatment and continue to work closely with our partners, including the European Union, to raise the issue directly with the de facto authorities.

We are aware of Mr bin Haydara’s death sentence and have sought to raise the profile of his situation through public diplomacy. The immediate release of all Bahá’ís in Yemen imprisoned for their religious beliefs was a key demand in the September United Nations Human Rights Council resolution, which we supported. We will work closely with all partners to ensure its full implementation.

Bob Blackman: I thank my right hon. Friend for his answer and you, Mr Speaker, for granting this urgent question. Members right across the House have concerns about the denial of freedom of religion and belief for people of all faiths and none. The threat to execute Hamed bin Haydara constitutes a grave risk to the life of an innocent man—a father of three—and would accelerate the climate of persecution against the wider Bahá’í community in Yemen as a whole.

Mr bin Haydara was arrested in December 2013 and has been subjected to torture, beating and electrocution. He has been forced to sign confessions under duress. More than half of the nearly 40 court hearings on his case have been cancelled, raising serious questions about whether there has been any due process. He has been denied treatment for medical conditions that came about when he was sentenced to death.

I have a series of questions for my right hon. Friend. Friend to answer, if he can. Have the UK Government any further lines of communication for making representations to the Houthi authorities, who hold the power in Sana’a? I am advised that the Minister for the Middle East, my right hon. Friend the Member for North East Bedfordshire (Alistair Burt), is taking up the case and is in Geneva today. What pressure will he be able to apply at the UN on the Houthis and their backers to persuade them to release this innocent man? How much is known about the situation of other Bahá’ís imprisoned in Sana’a? They are reported to be Keyvan Ghaderi, Walid Ayyash, Mahmoud Humaid, Wael al-Ariehieh, Badullah Sana’i and Akram Ayyash. They have all been detained recently and are under threat.

Will the Minister also say what measures can be taken in respect of reports that senior figures in the national security office and the prosecutor’s office are receiving instructions from Iran to prosecute the Bahá’í community? The UN special rapporteur on freedom of religion and belief has observed “the persistent pattern of persecution of the Bahá’í community”.

If the Minister can answer those questions, the whole House will be deeply grateful.

Sir Alan Duncan: First, I express my gratitude to my hon. Friend for raising this subject. It is always proper for matters of individual justice of this sort to be raised in the House. Opposing the persecution of religious minorities is a very high priority for the Foreign Office and our diplomatic efforts as we enter this year.

The Bahá’í faith has been persecuted for the best part of one and a half centuries; the situation described by my hon. Friend, is, sadly, a further example of that phenomenon. Although Mr bin Haydara is neither a British national nor an employee of any organisation related to Her Majesty’s Government, that does not in any way diminish our indignation at what is happening and our wish to try to defend his interests and see him released. To that end, we are, of course, also in close contact with the Bahá’í community in London about this case and the wider situation of Bahá’ís in Yemen.

My hon. Friend asked a number of questions that are very difficult to answer in the context of Yemen, which is essentially a failing state. Mr bin Haydara is held not by the official Government but by the Houthis, who are deemed to be the insurgent force in Yemen and are essential to any successful political outcome the likes of which we are trying to pursue. Getting further lines in to the Houthis on a particular case such as this is therefore extremely difficult—it is difficult, of course, to engage them even in the main thrust of the political solution we would like to see in Yemen. To that end, as my hon. Friend says, my right hon. Friend the Minister for the Middle East in is in Geneva today helping to corral the collective effort that we hope can increase and optimise our influence in this case and on the future of Yemen itself.

We estimate that there are about 2,000 Bahá’ís in Yemen, and to identify the fate of any individual within that large number is very difficult. We do not have direct diplomatic representation in Sana’a or the sort of detailed engagement with the Houthis that would be necessary to address such issues. It is undeniable that Iranian influence has been drawn into Yemen more than was the case five years ago, when the Gulf Co-operation Council initiative sought a replacement for then President Ali Abdullah Saleh. The current President, President Hadi, has, I am afraid, very little influence over such cases. I very much hope, therefore, that the Iranians will use their efforts to go for justice rather than the persecution of people such as Mr bin Haydara.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): Thank you, Mr Speaker, for granting this urgent question. I congratulate the hon. Member for Harrow East (Bob Blackman) on securing it. As he explained, the facts in this case are clear: Mr Haydara was arrested in southern Yemen in December 2013 and has suffered torture since; his family and lawyers have not been allowed to see him during that time; and he has been forced to sign a 19-page confession while wearing a blindfold, on the basis of which he was charged with spreading the Bahá’í faith in Yemen. All of these events took place...
under the Government of President Hadi, not the Houthi rebels who took power in early 2015, but it is the Houthis who have held Mr Haydara since then and it is their courts that have now sentenced him to death, so responsibility for this case clearly lies with the Houthis and their supporters in the Iranian regime—we all know the terrible history of Bahá’í persecution in Iran.

As well as Mr Haydara, five other Bahá’ís are in detention, awaiting trial for no crime other than their religion. We in this House all agree that they must be freed and that Mr Haydara’s death sentence must be quashed. Will the Minister use his influence with the Iranians, who are the ones with influence at the moment, in dealing with the Houthis? He needs to apply as much pressure as he can, because this sentence could be carried out very quickly, so a life is at stake. The Iranians are the key players here. Will he guarantee that he will raise these cases when it becomes possible to renew talks on a political settlement in Yemen? Finally, will he request assurances from the Saudi Government that if President Hadi is restored to power in Yemen, he will cease persecution of the Bahá’í faith?

**Sir Alan Duncan:** The hon. Gentleman’s perfectly fair questions illustrate the deep complexities of Yemen at the moment. Unfortunately, we cannot just deal with the legitimate Government in the way we might expect to do with other countries. This is a failing state, with the legitimate President, President Hadi, wielding far less power than one would wish and the Houthis wielding far more power than one would wish. Relations on this sort of consular case—if I can describe it as such—are very difficult and our ability to have the influence we would like is far less than we would like.

The Houthis are Zaidis, not classic Iranian Shi’ites, so they have an affinity with Iran, but it is wrong to say that they take all their orders from it and are its straightforward puppets. The history of Yemen suggests that the position of the Houthis is rather more complex than that. There is an undoubted affinity, however, and one that has grown over the past two or three years. Because of that, we will of course use all our diplomatic efforts to put pressure on the Iranians to understand that there is deep concern in this House and more widely across the world about the way in which Mr Haydara and others are being treated.

I absolutely assure the House that my right hon. Friend the Foreign Secretary, in his dealings with the Iranians, which have increased over the past couple of months, will not fail to raise this issue and the broader issue of religious freedom on any occasion.

**Tom Tugendhat** (Tonbridge and Malling) (Con): I thank the Minister for his comments and for speaking very gently and wisely about a matter that is actually very complex. I pay tribute to Her Majesty’s ambassador to Sana’a, Simon Shercliff, who of course is not in Sana’a. He has done an awful lot of work on the Yemen problem, yet through no fault of his own appears to be getting not very much further. I also pay tribute to the Minister for the Middle East, who likewise is doing a lot.

I associate myself with the words of the hon. Member for Birmingham, Perry Barr (Mr Mahmood) on the influence of Iran in the region. Does the Minister agree that the rise of religiosity among the Houthis is an extremely worrying sign and something that has arisen only in the last few years? Although there have been many tribal issues in Yemen, the rise of factionalism on religious grounds is a new thing in Yemeni history.

**Sir Alan Duncan:** I totally agree with my hon. Friend. I know that as Chair of the Foreign Affairs Committee, he will investigate the matter deeply with his Committee. He is right that one of the distressing elements of what has unfolded in Yemen over the past five years is that what was really a tribal conflict has converted into more of a sectarian conflict. That contains the danger of further escalation into a deeper proxy conflict. That is exactly the kind of rising tension and complex structure that, through our diplomatic efforts, we want to reduce and de-escalate so that we get to the point where there can be proper and realistic political discussions in that complex, tribal country to bring stability and, crucially, to overcome the massive famine, disease and rising infant mortality that are probably the worst aspect—although a deeply hidden aspect—of what is going on in Yemen.

**Alison Thewliss** (Glasgow Central) (SNP): I pay tribute to the hon. Member for Harrow East (Bob Blackman) for bringing this issue to the House and to the Bahá’í community in the UK for raising it with me this week. As has been mentioned, the Bahá’í community in Yemen is small, but has faced disproportionate persecution by the Houthis, backed by Iran, which has included mass arrests, arbitrary detention, harassment and apparently now shutting down all the Bahá’í centres across the portion of Yemen controlled by the Houthis.

The sentencing to death of 52-year-old Hamed bin Haydara is an extremely worrying development, as he has been in detention since 2013. I imagine that others who are in detention at the moment will be extremely distressed at their prospects, given this development.

Noting the context of the wider discussion of the dire situation in Yemen, will the Minister tell the House what discussions he has been able to have with his counterparts in Iran, who are alleged to be driving this religious persecution? The Bahá’í community allege that it follows a similar pattern to the persecution of Bahá’ís that has gone on in Iran.

In the wider context of countries that choose to continue using the death penalty, what is the Foreign and Commonwealth Office doing to update its strategy on the abolition of the death penalty? What communications could the Minister have with President Hadi, who is in exile but still has a position of influence?

**Sir Alan Duncan:** I assure the hon. Lady that the abolition of the death penalty is embedded in all our diplomatic and Department for International Development policies. Wherever we go, in any country, that is our policy and we do our best to argue for it wherever possible.

I have been going to Yemen for over 30 years. I have met President Hadi on about 10 occasions and I met Saleh on about 20. This is a complex country with a vicious history full of conflict and tribal division. My right hon. Friend the Minister for the Middle East, who, as I said, is in Geneva, has been brilliant in trying to gather the maximum possible public international and diplomatic pressure not only on this specific case,
but for a broader settlement in Yemen. I can tell from my conversations with my right hon. Friend the Foreign Secretary on this matter that he is personally very ambitious to do his utmost to use British influence. British influence in Yemen is perhaps greater than many of us in this House realise. The voice of the UK still does matter. We want, as a priority in the Foreign Office, and indeed in No. 10, to do everything we can to use that historical influence to try to bring an end to this disastrous period of Yemeni conflict, famine, and history.

Edward Argar (Charnwood) (Con): I associate myself with the remarks of my hon. Friend. Friend, and indeed friend, the Member for Harrow East (Bob Blackman) in unreservedly condemning both this death sentence and the persecution of the Bahá’í. Will my right hon. Friend set out the role that he believes the Government of the Sultanate of Oman can play not only in successfully helping with this case but, more broadly, in successfully resolving the situation in Yemen?

Sir Alan Duncan: I am very grateful to my hon. Friend for his question. I think he is fast establishing himself as one of the great experts in this House, particularly on Oman and Yemen, and indeed the middle east more widely. The Sultanate of Oman, a great ally of the UK, is of enormous importance in the dynamics of any negotiations that might come forward to resolve the Yemen problem. The country’s history with Yemen matters to it, of course, but it is also next door to Iran. Its enlightenment in trying to be an honest and constructive broker with the Houthis is much appreciated in this country. The Sultanate of Oman is a country to which we attribute enormous value and affection. We look forward to working with it further as an important element in trying to find a solution to this conflict.

Mr Speaker: The hon. Member for Charnwood (Edward Argar) is clearly a very wise man indeed. In fact, he would perhaps be called a greybeard if he had one.

Jim Shannon (Strangford) (DUP): I thank the Minister for his statement. The judgment on Hamed Bin Haydara has called for the confiscation of his goods and also direct action against the Bahá’í, motivated very clearly by a desire to repress a peaceful religious minority. I think that some of the information coming through from the oral reports from Yemeni officials would show that Iran has an influence there. Will the Minister share with the House what representations he has had on this case, apart from those this morning? What representations are the Government going to be able to make to urge the Houthi authorities to overturn this judgment? What help can he give to the prisoners in jail who need medical attention?

Sir Alan Duncan: We have very little direct contact with the Houthis because of the complicated nature of the Yemeni conflict. However, through all available channels—public and UN pressure, the UN Human Rights Council, collective comments within the middle east through ambassadors, and other forums—we have made every conceivable representation. I can assure the hon. Gentleman that we will continue to do so—perhaps, after this urgent question, even more noisily and robustly than before.

Chris Davies (Brecon and Radnorshire) (Con): Will my right hon. Friend remind the House of what the UK is doing to support the UN political process?

Sir Alan Duncan: We have been a full part of the UN process ever since the Arab Spring of 2011 and the GCC initiative that saw the replacement of President Saleh with President Hadi. In 2015 there was the important UN Security Council resolution 2216. As I said earlier, the Human Rights Council resolution of September last year is an important further part of the same UN process, in which we play our full part.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister use this opportunity to restate the Government’s opposition to the use of torture in any circumstances? Are there any new, concrete initiatives that he expects to come from the international community to try to stop the conflict in Yemen, because that is what has enabled this atrocious decision to be taken?

Sir Alan Duncan: It is very nice to have an opportunity to fully agree with the right hon. Gentleman. Certainly we are absolutely resolute in our opposition to torture and degrading treatment in all its forms.

As I said earlier, we really want to start this year doing everything we possibly can to get people talking. We have done so through gathering together the Saudis, the Emiratis, the Omanis and the UN. We will continue to work with them, crucially in trying to find direct contact with people in Yemen who can make a difference—something that the international community is trying to work out following the death of Ali Abdullah Saleh in December last year.

Craig Tracey (North Warwickshire) (Con): I thank the Minister for his response to the urgent question. What are the Government doing to address the humanitarian crisis in Yemen?

Sir Alan Duncan: I am familiar with this from the days when I was an International Development Minister, and even then—without such a conflict—Yemen had dire needs. We are deeply concerned by what may be nearly 500,000 cases of cholera, by rising infant mortality, and by the fact that almost all the food—certainly all the rice—is imported. To that end, therefore, it has been essential to open the port of Hodeidah, which I am pleased to say has happened since last month. DFID is spending over £200 million in this financial year, but the access to those in need and the delivery of humanitarian aid remains a very complex and difficult problem in such a lawless and disintegrating society.

Jeremy Lefroy (Stafford) (Con): May I thank you, Mr Speaker—as, indeed, I thank my right hon. Friend—for your dedication to religious freedom and human rights? Does my right hon. Friend agree that human rights and religious freedom are absolutely integral parts of our humanitarian development aid work across the world?

Sir Alan Duncan: Yes. If human rights and the rule of law are not upheld, the efficacy of development is severely reduced, so I totally agree with my hon. Friend. That is written in as a principle to all the ways in which DFID goes about its business.
Stephen Kerr (Stirling) (Con): In my experience, one could not find a more gentle and more engaging people than those of the Bahá’í faith, who bear their persecution with great forbearance. What communications has the Minister had with representatives of the Bahá’í faith in this country?

Sir Alan Duncan: We are in contact with the Bahá’í community in the UK. As I said earlier, the Bahá’ís are a gentle sect, as it were, of Islam, who fully deserve to be defended whenever this inexplicable persecution takes place. It has been going on since they were founded in the mid-19th century, and I think that their being persecuted from the start and having it persistently thrust on them for more than a century and a half is a miserable aspect of our relatively recent history.

Mike Wood (Dudley South) (Con): I welcome my right hon. Friend’s assurances of opposition to this terrible death penalty. What assessment have the Government made of the effects of the death of Ali Abdullah Saleh on the horrific crisis in Yemen and on the chances of a positive resolution?

Sir Alan Duncan: I hope the House will accept that what I am going to say are just my own thoughts, as someone who has taken an interest in Yemen for so long, rather than the official assessment of Her Majesty’s Government, because this is a fairly recent phenomenon. Whereas Ali Abdullah Saleh was working with the Houthis, he turned against them and there was a rather serious battle between the two sides, in which he died. What will now happen to the influence he wielded through the General People’s Congress and his own forces is difficult to assess at this early stage, but I suppose one can say that, at its simplest, it has probably reinforced the power of the Houthis. I hope that, from that position of strength, the Houthis might now be prepared to negotiate directly with Saudi Arabia and other interested parties, so that we can reach a political solution and put an end to this conflict.

Ross Thomson (Aberdeen South) (Con): What role did my right hon. Friend and the Foreign Office play in the reopening of the port of Hodeidah? Its reopening is crucial for access for humanitarian aid and relief for some 7 million Yemenis who are on the brink of famine.

Sir Alan Duncan: My hon. Friend is absolutely right. While the ports remained closed, the entire country was essentially under siege and at risk of starvation. The UK Government played a very significant part in working with the Kingdom of Saudi Arabia to try to open the port of Hodeidah. An agreement was reached last month, and I hope that supplies are now flowing in, as they must, and that increasing supplies will flow in to bring much needed sustenance, medicine and help to a country that is in deep peril.

Business of the House

11.4 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House please update us on the forthcoming business?

The Lord Commissioner of Her Majesty’s Treasury (Paul Maynard): As eagle-eyed Members will have noticed, I am not the Leader of the House. My right hon. Friend is attending Sandringham for a meeting of the Privy Council. She sends her apologies, and I am standing in for her. I will do my best to aspire to meet her high standards.

The business for the week commencing 15 January 2018 will include:

MONDAY 15 JANUARY—Second Reading of the Space Industry Bill [Lords].

TUESDAY 16 JANUARY—Remaining stages of the European Union (Withdrawal) Bill (day 1).

WEDNESDAY 17 JANUARY—Conclusion of remaining stages of the European Union (Withdrawal) Bill.

THURSDAY 18 JANUARY—Debate on a motion on treatment of SMEs by RBS Global Restructuring Group, followed by a general debate on Holocaust Memorial Day 2018. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 19 JANUARY—Private Members’ Bills.

The provisional business for the week commencing 22 January 2018 will include:

MONDAY 22 JANUARY—Second Reading of the Financial Guidance and Claims Bill [Lords].

TUESDAY 23 JANUARY—Remaining stages of the Nuclear Safeguards Bill, followed by consideration of Lords amendments to the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill.

WEDNESDAY 24 JANUARY—Opposition day (8th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 25 JANUARY—Debate on a motion on joint enterprise followed by a general debate on the proscription of Hezbollah. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 26 JANUARY—The House will not be sitting.

On behalf of the Leader of House I am sure I join all hon. Members in congratulating my hon. Friend the Member for Northampton North (Michael Ellis) on his promotion from Deputy Leader of the House to his new role at the Department for Digital, Culture, Media and Sport. I am sure that his urbane approach will be well received and suit him well. I also welcome all Members back from what I hope was a restful and peaceful Christmas and new year break. I hope that they appreciated the efforts of the Leader of the House in restarting the bells of Big Ben for new year, which I am sure added to our collective enjoyment of that important feast. I hope that we all have an interesting and exciting 2018—but not too exciting, because we do not like too much excitement in politics, do we?

Valerie Vaz: I am excited already, Mr Speaker.

I thank the Minister for turning up and taking Business questions, and for setting out Government business. I know that the Leader of the House has an important engagement. As the Minister said, the hon. Member for Northampton North (Michael Ellis) has done an
admirable job. He has now been promoted—perhaps he is irreplaceable—and we thank him for all his work. Will the Minister please confirm whether there will be a new Deputy Leader of the House? Following your suggestion to those on the Treasury Bench yesterday, Mr Speaker, will the Minister ensure that the list of those with ministerial responsibilities is updated as soon as possible?

I am not sure whether Bananarama was on the Prime Minister's playlist, but I wonder whether Members recall the song that goes:

“It ain’t what you do, it’s the way that you do it, and that’s what gets results.”

The reshuffle was the same old, same old people—new titles, but all the responsibilities were already in their departmental portfolios. Will the Minister ensure that the change of titles does not lead to any further cost to the purse? It seems that men can say no, and the PM goes, “all right then”, but when a woman says no, she is sacked. To paraphrase the Prime Minister, there really are boys’ jobs and girls’ jobs, and we wait to see what the fall out will be.

It seems that the Government are following what the Opposition are doing. The Opposition already have a Minister responsible for housing and a Minister responsible for social care at shadow Cabinet level, and that is now policy. The Government have announced no vote on fox hunting, and measures on wild animal in circuses. The Wild Animals in Circuses Bill was introduced by former DEFRA Minister, my hon. Friend the Member for New Cross Hospital on 15 December and I spoke to him. By 2 January, he had had a huge heart attack and was dead. The Secretary of State has to take responsibility and be accountable. If there are no concerns on behalf of the Government, why has the Care Quality Commission decided to suspend routine inspections because, it says, of winter pressures? Did the Government plan for that? Could we have a statement on today’s announcement by NHS providers that they cannot deliver, as set out under the NHS constitution, safe, decent standards of patient care?

This is about accountability and responsibility. My hon. Friend the shadow deputy Leader of the House—as we have a deputy shadow Leader of the House—has written an excellent article in the Health Service Journal about accountability. Mr Speaker, you will recall that Nye Bevan said that if a bedpan dropped in Tredago, it would be heard in Whitehall. We say it is the other way round: what happens in Whitehall should be heard at a local level. It is accountability that is the most important, yet it seems that if companies do not get contracts, they sue and are paid out of public money; and if they cannot fulfil the contracts, they are bailed out by public money. Either way, the public are paying.

Could the Minister please tell the House the Government’s position on the inquiry announced today by the Commissioner for Public Appointments into the Government’s failure to follow due diligence in appointments to the Office for Students? Why had the Minister concerned not done the appropriate checks?

Finally, as we celebrate 100 years of women being able to vote, I hope we can also celebrate that, wherever people work, they are paid equally, whether called Carrie or John. Like the Minister, I welcome everyone back to the House and wish them a very happy new year.

Paul Maynard: I hope that the hon. Lady retains her sense of excitement throughout the forthcoming exchanges. I am disappointed, though, that she wanted me to be replaced so quickly in the new role that I am required to perform today. None the less, I will do my best in the short time that I have available.

The hon. Lady rightly raises the importance of winter planning in the NHS, and I am sure she will have carefully read yesterday’s debate and listened carefully to the words of the Prime Minister, who has made it clear that she has apologised to all those whose operations have been cancelled. We spent £437 million on winter planning for A&E this year, and NHS providers have been clear that the NHS has never been better prepared for winter. Part of appropriate planning for winter is making sure that patients do not find out on the day that their operation has been cancelled.

I welcome the hon. Lady’s comments on many of the environmental policies that the Government are adopting. It is welcome and right that we are soon to have a 25-year plan for the environment, and many Members across the House will be interested to see what that will involve. I hope she will welcome the Prime Minister’s announcement today of the extension that we shall be making to the plastic bag charge. The charge has contributed some £95 million to good causes across the country so far. It is right that we now extend that to smaller enterprises, because I am sure they too have been very keen to participate.

The hon. Lady referred to one of my previous areas of expertise: rail fares. I am surprised that she wants a statement so soon, given that we had a lengthy Opposition day debate on rail franchising only yesterday, during which
many of these issues were discussed. The challenge for the Opposition is clear. As they will be aware, the Secretary of State for Transport has made it clear that he aspires to move to the consumer prices index, but one of the biggest obstacles to that comes from the hon. Lady's own side. I would love to be a fly on the wall when the Labour party tries to persuade the National Union of Rail, Maritime and Transport Workers to drop its excessive retail prices index wage demands.

As a child of the '80s, I have fond memories of Bananarama. They had many hits, but perhaps the hon. Lady will recall their Comic Relief guise of La-na-nee-noo-noo, which I think was much more the tone of her comments on the reshuffle. I find it bizarre that anyone on the Opposition Benches has the temerity to criticise a Government reshuffle. I remember when, in the not-so-distant past, Opposition reshuffles came along as often as London buses. It was almost like a random number generator; the composition of the Opposition Front-Bench team was as random and unpredictable as the balls on the national lottery—she might regard herself as the bonus ball in any reshuffle. What we see today on the Government Front Bench, with a range of new talent coming through. When we have a reshuffle, we have a positive sense of progress. I thank the hon. Lady for her comments today.

Several hon. Members rose—

Mr Speaker: Order. I exhort Members to ask brief questions about the business of the House for next week and provisionally for the week after, and I know that the hon. Gentleman on the Government Front Bench will respond in similar vein.

Sir David Amess (Southend West) (Con): Will my hon. Friend find time for a debate on the enforcement of legislation concerning employment agencies and temporary workers? I worked in recruitment for many years before becoming an MP, and I am horrified by the way the law is being flouted, with adverse consequences for Her Majesty's Revenue and Customs and for the workers themselves.

Paul Maynard: I know that I cannot go far without my hon. Friend pursuing me to the Dispatch Box. He is obviously a doughty defender of the people of Southend, and his expertise on this issue is noted across the House. As he will know, we have commissioned Matthew Taylor to review employment practices across the country. The Department for Business, Energy and Industrial Strategy is currently reviewing the responses to the consultation, and I am sure that my hon. Friend will join me in looking forward to hearing the views at the end of the process.

Pete Wishart (Perth and North Perthshire) (SNP): Mr Speaker, I wish you and all the staff of the House a happy new year.

I thank the hon. Gentleman for announcing the business for next week. Dazzled as I was by the overwhelming success of the Cabinet reshuffle, I thought that I had missed the announcement on the deputy Leader of the House, but one had not been made. We are all grateful to the hon. Gentleman for filling in. Who knows, he might just dazzle us enough today to be given the job permanently—and who would not jump at the chance to respond to the pre-recess Adjournment debates? I am relieved to hear that the Leader of the House is still firmly in her place. It has not been a “Cruel Summer”, in the words of Bananarama, but a cruel winter, given some of these reshuffles. The reshuffle was supposed to restore the Government's diminished authority, but it has left them between a Hunt and a hard place. Never before has a Cabinet reshuffle actually diminished the authority of a Prime Minister in quite such a way. It is an outstanding feat, even for this chaotic Government.

The repeal Bill returns next week, and there is profound disappointment in Scotland that no amendments have been made, as promised, for the devolution-threatening clause 11. It was the Secretary of State for Scotland who set himself this timetable, and the failure to deliver has even disappointed and frustrated his own Scottish Conservative colleagues. What will be totally and utterly unacceptable is for these issues to be considered in the unelected House of Lords. The nation's aristocrats, Church of England bishops and party donors and cronies will now have more say on these critical issues than directly elected Members of Parliament from Scotland. In what sort of tin-pot democracy could that possibly be acceptable? It is a big test for my friends in the Scottish Conservative party, because they cannot possibly vote for this, knowing the flaws, in the hope that the be-erminded ones might fix it for them. [Interruption.] Is all this blind loyalty really worth it? For all their commitment to the Lobby-fodder cause, not one of them was thought to be of sufficiently quality to be promoted—[Interruption.]

Mr Speaker: Order. We are immensely grateful to the hon. Gentleman, who I know has completed his contribution. We are deeply obliged to him.

Paul Maynard: I am grateful for the hon. Gentleman's ingenious word play, and I sometimes think I should play a game of bingo with his appearances in the Chamber, because I measure the success of my colleagues often the hon. Gentleman refers to them, as I know that the more he refers to them, the better the job they are doing.

The hon. Gentleman expresses concern over the EU Bill. He will have heard from the Chancellor of the Duchy of Lancaster just yesterday that negotiations are intensifying over getting the clause in question right, and when they have agreed, it will appear on the Order Paper. Perhaps the hon. Gentleman can use his immense influence in Edinburgh to help ensure those negotiations go as speedily as possible. We are keen to get that amendment on the Order Paper; I hope he is just as keen. Let us help him to help us.

Sir Edward Leigh (Gainsborough) (Con): As we know, the best way to get a good deal out of the EU is to make it clear to the EU that we are prepared for no deal, so when we debate the withdrawal Bill next week, will we have the Minister for hard Brexit in the Chamber, as we were promised before the reshuffle, so we can question him or her—and if not, why not?
Paul Maynard: I am sure we will have a range of dedicated Ministers across a number of Departments focused on making a success of our leaving the EU. I am sure it will be a lively debate next week, and I look forward to all Members making a full contribution to it.

Ian Mearns (Gateshead) (Lab): I wish you, Mr Speaker, and all members of staff and all Members around the House a very happy and healthy 2018—happy new year to everyone.

The Backbench Business Committee has received a very heavily subscribed application for a debate about the restoration and renewal of the Palace of Westminster. Do the Government have any plans to hold such a debate in Government time in the near future, as we had thought they would? That would be preferable to using Backbench Business Committee time which is already under heavy pressure.

Now that the festivities are over, you might remember, Mr Speaker, that just before Christmas I invited you and the Leader of the House to visit Gateshead and Newcastle for the great exhibition of the north, beginning in June this year and running through to September, culminating in the great north run in September. May I renew that invitation? Please do come and visit us for the great exhibition of the north; it will be the north at its best.

Paul Maynard: I am grateful to the Chairman of the Backbench Business Committee, and this is my first chance to thank him for all the work he does; the Committee is an important part of the House’s business.

The hon. Gentleman mentions the R and R debate. He is right that the Government are keen to ensure that we hear the views of those on all sides on this issue. We are working hard to secure the right date in the parliamentary calendar to make sure as many hon. Members as possible can take part. I know there is a Backbench Business Committee debate, but that should not obviate the need to have a wider debate, and I hope we will secure a date for it as soon as possible.

I hear the hon. Gentleman’s kind invitation. I spent many days in Durham between Christmas and new year, and I enjoyed my tour of Gateshead. I went to see the angel of the north, for example. So I have already been to see it and was much impressed.

Antoinette Sandbach (Eddisbury) (Con): Can a debate on rural bus transport be organised? The residents of the village of Tiverton have a once-a-week bus service and it has been cancelled, meaning they cannot access the pharmacy or collect their pensions from the local village, and my constituents also have problems with increasing journey times from Winsford to Chester.

Paul Maynard: As a native son of the fine county of Cheshire, I well know what a beautiful range of villages my hon. Friend represents. It is vital that they have good bus connections, and I urge her to make use of the opportunity afforded by Transport questions on Thursday to put those questions to the new ministerial team.

Paul Flynn (Newport West) (Lab): Yesterday, Rose Gentle, the mother of Gordon Gentle, one of the first soldiers to die in the Iraq war, expressed her regret at the Government statement that seems to absolve Parliament from the conclusions of the Chilcot report. We need, as she called for, an act of apology from this House and this Parliament. It was not one man; it was the Opposition and three Select Committees, who were cheerleaders for that worst mistake we have made this century. Would not a suitable act of apology be followed by the reading of the names of the 179 soldiers whom we sent to their deaths?

Paul Maynard: The hon. Gentleman has been a consistent campaigner on this issue over many years and has earned the House’s respect for his consistency. I will ensure that I pass his comments on to the Leader of the House, who I am sure will do her best to get him a suitable response to his point.

Mr Ian Liddell-Grainger (Bridgewater and West Somerset) (Con): Could we have a debate in Government time on the failure of consultation on major infrastructure projects? Junction 25 on the M5 is an arterial route, and the Government have quite rightly pulled in certain proposals because of the behaviour of certain estate agents, councillors and, unfortunately, businessmen. They cannot hold these things up, but the Government have to check the priorities in local government. Could we please have a debate on that?

Paul Maynard: I recognise the fact that my hon. Friend has a long-running concern over these issues, and I urge him to apply for either an Adjournment debate or a Westminster Hall debate so that he can give them a proper airing and get the ministerial response to which I believe he is genuinely entitled.

Mrs Madeleine Moon (Bridgend) (Lab): The NatWest bank is 73% publicly owned, yet it is closing its branch in Porthcawl where millions roll in from the businesses across the town and the large number of retirees who live there. Is it not time for the largely publicly owned banks that were bailed out by the public to sign a social responsibility clause before being allowed to continue, so that they cannot close without the permission of the community they serve?

Paul Maynard: I recognise the fact that the hon. Lady’s concerns over banking in the community are widely shared on both sides of the House. At a time when banking practices, and the ways in which consumers engage with their banks, are changing, this remains a concern. She will know that she will have a chance to take part in a debate on the role of banking in the community at 3 pm today in Westminster Hall, and I am sure that she will make her voice heard there.

Martin Vickers (Cleethorpes) (Con): My hon. Friend was an excellent rail Minister before taking up his new role earlier this week. I do not know whether he is in the habit of buying The Daily Mail when he travels on Virgin Trains, but he will know that the company has in effect taken action to ban its customers from buying that newspaper. May we have a debate on this rather unacceptable act by Virgin?

Paul Maynard: My hon. Friend is certainly more than welcome to apply for an Adjournment debate on such an issue. I would merely observe that that might be a matter for the particular company. As a commuter on...
[Paul Maynard]

that line. I hope that as a Government Minister I would not be seen to be in contravention of its corporate values and no longer be allowed to travel, because getting home might become quite difficult as a consequence.

Anna McMorrin (Cardiff North) (Lab): The UK Government have finally got round to launching their 25-year plan on the plastic bag levy, thereby, just six years later, catching up with the Welsh Labour Government. However, the plan lacks substance. It is full of missed opportunities and weak proposals, and it contains no laws. It is neither innovative nor radical; it is a cheap attempt by the Prime Minister to rebrand the Tories with greenwash. Will the Government commit to making a statement on the plan in the House, to allow for proper scrutiny?

Paul Maynard: I am disappointed that the hon. Lady seems a little churlish about what we are seeking to do. I hope that there are some issues on which we can unite across the House to do what is right for future generations. I caution her to wait and to get more information about what is being decided. I am sure this matter will be discussed at length across the House in the forthcoming debate. She will learn more today and, I hope, more in the future.

Jack Lopresti (Filton and Bradley Stoke) (Con): Earlier this week, a cable theft brought rail services at my local station, Bristol Parkway, to a complete halt, causing major disruption for commuter services across the south-west. May we have a debate on the effects of crime on rail services and on the contingency planning for the disruption that it causes?

Paul Maynard: My hon. Friend is tempting me back to my former pastures, but I must assiduously try to avoid returning to them whenever possible. I would simply urge him to apply for an Adjournment debate on that subject. Getting the balance right when rail services break down at short notice is always a difficult thing to perfect, but as he will know, the Office of Rail and Road has specific consumer powers relating to disruption, and I am sure he could take that matter up with the ORR to see what redress could be achieved.

Judith Cummins (Bradford South) (Lab): Many of the NHS trusts in Yorkshire are currently considering proposals to transfer NHS staff over to wholly owned companies, amounting to a race to the bottom in employment practices. May we please have a debate on that in Government time?

Paul Maynard: I recognise that many hon. Members are interested in the move towards accountable care organisations, but I urge people to keep sight of the fact that we are seeking to bring care providers together in local areas to make things more effective. We want to ensure better continuity of provision, so that fewer people need to attend hospital, ensuring that all our NHS resources are best deployed in the interests of our local communities.

Mr Nigel Evans (Ribble Valley) (Con): Back to railways, Mr Speaker. My hon. Friend knows that the Secretary of State for Transport is keen to open some of the closed railway lines around the country, as my hon. Friend was when he was a Transport Minister. Will it be possible to get an early statement on what those lines may be? Many people in the Ribble Valley are keen to have the Clitheroe to Hellifield line reopened, which would allow them to visit places such as Skipton, Leeds, Bradford and other great places. The people of Yorkshire may also be able to come and visit the people of Lancashire to see what great hospitality we have in store for them.

Paul Maynard: Lancashire is blessed with a range of potential lines to reopen, but it is important to stress to all hon. Members that the best vehicle to seek to promote a line reopening is through their local enterprise partnership or local council. The Government will look favourably on schemes where there are opportunities for economic growth and housing. More information will be released in due course on the best methods for going about promoting such opportunities.

Derek Twigg (Halton) (Lab): A number of my constituents have contacted me over the leasehold scandal, whereby people have found that their leasehold has been sold on to unscrupulous financiers. The Government have said that they are going to do something about it, but what about the people already caught in the trap? May we have a debate in Government time to hear what the Government intend to do about the people who have already been affected?

Paul Maynard: I recognise that those concerns are shared across the House, and we have already committed to making progress on the matter. The hon. Gentleman will have heard what the Prime Minister had to say about addressing the concerns, and I am sure that he will have the opportunity to secure an Adjournment or Westminster Hall debate to raise this important issue.

John Howell (Henley) (Con): May we have a statement on the Churchill Hospital in Oxford, because that would seem to be the only way of showing that no changes have been made to chemotherapy treatment at that hospital?

Paul Maynard: There has certainly been a degree of confusion over what is happening at the Churchill Hospital. My hon. Friend the Member for Banbury (Victoria Prentis) was clear in the Chamber yesterday, and no one currently undergoing cancer treatment at the Churchill Hospital should in any way doubt that their treatment will continue. I would welcome any opportunity to make the situation at the Churchill Hospital clear.

Ben Lake (Ceredigion) (PC): May we have a statement on the records that the Government hold of former Ministry of Defence civil servants who served overseas, particularly on how such individuals should proceed if they want to access their service records? A constituent of mine served in the former British forces education service and taught in British military schools in Germany, but following a subject access request to the MOD he was told that no record of his service exists. When I wrote to the MOD on his behalf, I was advised that he should submit yet another subject access request, even though he has already done so twice. My constituent
requires proof of service so that his grandchildren may claim their British passports, so a written statement with some clear guidance is urgently needed.

Paul Maynard: That is clearly an important matter for the hon. Gentleman’s constituent. The Leader of the House is always assiduous in following up on issues raised in the Chamber during business questions, and I am sure that she will pick this one up and deal with it through the MOD to seek further clarification.

Robert Halfon (Harlow) (Con): May we have an urgent statement on the fact that, despite Government guidelines, hospital car parking charges for most people have increased by 47% and that 50% of hospitals charge disabled people to park? I do not know whether my hon. Friend saw the Daily Mirror campaign over Christmas that showed how patients and visitors are suffering due to high hospital car parking charges, but will he write to the Health Secretary to secure an urgent statement?

Paul Maynard: My right hon. Friend has been a doughty and long-term campaigner on the issue of hospital car parking, and I pay tribute to him. He raises an important matter that I am sure will be discussed in more detail at the next Health questions, but he is of course always welcome to seek a Westminster Hall debate to raise what is an important issue for many Members on both sides of the Chamber.

Stephanie Peacock (Barnsley East) (Lab): While conducting a survey on bus services in my constituency of Barnsley East, I heard time and again that the needs of residents are being ignored by bus companies that prioritise profit over passengers. Can we have a debate in Government time on allowing local authorities to operate bus companies to ensure they are run in the interests of local people so that bus services remain just that—a service?

Paul Maynard: The hon. Lady will be aware that we recently passed the Bus Services Act 2017, which gives much greater opportunities to local councils to choose how best to deploy their bus services. She will also know that next Thursday’s Transport questions is a perfect opportunity for her to raise that question in the Chamber with a Minister who knows a better answer than I do.

Douglas Ross (Moray) (Con): Can we have a debate on how this Government are supporting growth deals? Moray has some very ambitious plans, but it needs both our Governments to work together to deliver the best possible results. Does my hon. Friend agree that the Scottish National party’s comments this week that it might go it alone on some growth deals, such as for Moray, would be counterproductive and deliver far less for our area than a joint growth deal involving both the UK Government and the Scottish Government?

Paul Maynard: That is further proof, should I need it, that the more noise I hear from Opposition Members, the more I know my hon. Friend is doing the right thing. He is right to raise this issue, and we heard about Stirling at Prime Minister’s Question Time yesterday. It is important that, as a Westminster Government, we do all we can to support local growth in areas of Scotland.

Chris Bryant (Rhondda) (Lab): Will the Minister make sure that the Foreign Secretary comes to the House to explain his policy on Bermuda? Bermuda was required to introduce same-sex marriage last summer, which it has now done. But six months later, the Bermudan Parliament is begging the Foreign Secretary to allow it to cancel same-sex marriage, which is an entirely retrograde step. Six couples have already been married, and they are to be unmarried, which surely even this Government must think is wrong. Will the Minister make sure that the Government tell the Bermudan Parliament very firmly, “No way, we are sticking with same-sex marriage”?

Paul Maynard: I start by wishing the hon. Gentleman many happy returns. When I saw his age, I could put it down only to the clean air of Rhondda that he looks so youthful. I have long waited to face him from the Dispatch Box. Maybe he could sign my Hansard at the end, as that would be a fitting souvenir.

The hon. Gentleman raises an important point, and I will make sure the Leader of the House communicates it to the Foreign and Commonwealth Office to try to get him the answer he seeks.

Bob Blackman (Harrow East) (Con): In his previous role, my hon. Friend conducted a detailed consultation on disabled access at stations, and many of my constituents took the opportunity to ask for lifts to be installed at Stanmore and Canons Park stations. Will he therefore arrange for his successor to come to the House to make a statement on what is going to happen now on providing proper disabled access to our stations across the country?

Paul Maynard: My hon. Friend is right to stress the importance of improving disabled access to all our stations. He will be more than aware that we have an ongoing accessibility consultation, and I spent a very happy Christmas reading all the replies. I am more than aware of the interest. Access for All is an important programme, and the Government are carefully considering how best to target it. I am sure we will hear an announcement in due course on the response to the consultation.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Not everybody had a good new year. Another four young men were stabbed and killed on new year’s eve in London. Clearly our thoughts go out to the family and friends who are dealing with such tragic grief and loss. We need to know when the Government’s serious violence strategy will be published, and I urge them to look at the root causes of youth violence as part of that strategy.

Paul Maynard: I am sure we all share the hon. Lady’s shock at what occurred on new year’s eve and in the early hours of new year’s morning. I was certainly horrified when I saw the news the next day. She will be aware that a lot of work is being done by the Mayor of London, the Metropolitan Police Commissioner and the Home Office to make sure we look carefully at how we best use stop and search powers. The hon. Lady makes an important and powerful point, and I will make sure we seek to get a suitable answer on the date of publication as soon as we can.
Mike Wood (Dudley South) (Con): The Leader of the House is attending to Privy Council business in Sandringham, but the residents of Sandringham Place in Wordsley have had to put up with derelict shops falling into rack and ruin over many years. Can we have a debate in Government time on the power of local authorities to deal with derelict buildings and to bring them back into use, whether as shops, commercial or housing?

Paul Maynard: I can only applaud my hon. Friend’s dexterity in making his point. I know from experience that it often takes a long time for local councils to get details of the ownership of vacant houses, so he is right to raise the issue. I urge him to apply for a Westminster Hall debate to fully air the issue with Ministers.

Kevin Brennan (Cardiff West) (Lab): Has the temporary Deputy Leader of the House seen early-day motion 775?

[This House notes with concern that airlines are increasingly requiring musicians to purchase a seat for guitars, and other musical instruments of similar size, or requiring that they be placed in the aircraft hold where temperatures are very low and damage may occur during transit; further notes the campaign led by the Musicians Union to show more consideration to musicians travelling with their instruments; and calls on the airline industry to adopt a code of practice to give musicians travelling with their instruments greater consideration, fair and consistent treatment, and peace of mind.]

I declare my interest as a member of the Musicians Union. Airlines are increasingly making life difficult for musicians who have guitar-sized and smaller musical instruments. Is it not time for the Government to have a debate about this, or at least to call in the airlines to talk to them about setting up some kind of code of conduct to ensure that our very talented musicians are not impaired in this way?

Paul Maynard: I know the hon. Gentleman has raised this issue before on a number of occasions. I have not yet got to the stage of taking my EDM book home with me for bedtime reading, but perhaps I should go down that path. As he knows, we have Transport questions on Thursday, which is a perfect opportunity to speak to the new aviation Minister to see what they have to say about this important issue. I recognise that this can be a real challenge, particularly for those with larger instruments.

Jeremy Lefroy (Stafford) (Con): I know the importance my hon. Friend places on apprenticeships. May we have a debate on the importance of further education colleges, such as Stafford College and Newcastle-under-Lyme College in Staffordshire, in providing those high-quality apprenticeships locally?

Paul Maynard: My hon. Friend is right to make sure that we have parity of esteem between all possible educational avenues at the post-18 point. Further education is really important. I have a superb provider in my constituency and I know he does, too. Perhaps he would like to apply to the Backbench Business Committee to make sure that we can all have a say in that important matter.

Chris Stephens (Glasgow South West) (SNP): Tea in the Pot Drop-in and support service in Govan for its ongoing work to support women to become actively engaged in the community and to enable women to identify and value their skills, experiences and talents, and to feel empowered and confident to share these with others; notes this work despite their lack of core funding and supports their ongoing campaign for resources; further notes the service provides a safe and relaxing atmosphere where women can meet up with old friends and make new friends and assists women who may be coping with difficulties, or who feel under stress, have health issues of simply feel isolated; and applauds the work of the support service in supporting and empowering the WASPI women in the community which is valuable and necessary and continues to support their work in defeating isolation.

May we have a debate or statement on funding for volunteer women’s support services, to ensure that they have the resources to empower women and defeat isolation?

Paul Maynard: I know that the Leader of the House attaches great importance to this issue, as does the Home Secretary. I am sure they would join me in praising the work of the local organisation to which the hon. Gentleman referred. I urge him to keep pressing for suitable debate opportunities in the House to draw attention to this important issue for all hon. Members.

Chris Davies (Brecon and Radnorshire) (Con): With the threat of a national supermarket chain looking to take over a highly influential high-street location, the people of Crickhowell in my constituency came together to buy the building known as the “corn exchange”. Some 220 people invested in the project, which completed at Christmas time and now offers three outstanding shops and flats for rent. This is a prime example of an ambitious community-led project, so may we have a debate on what more the Government can do to encourage such outstanding community projects?

Paul Maynard: I praise the corn exchange project for what it has achieved in Crickhowell, and I direct all hon. Members to look more closely at the community ownership schemes, the community asset schemes, the bright ideas fund and the community shares programmes, because this is such a fertile ground for all community projects and there is plenty of opportunity out there to make sure that we do all we can in our local towns.

Diana Johnson (Kingston upon Hull North) (Lab): For some years, I have been in correspondence with the chief executive of Persimmon about houses that were built in my constituency whose gardens are slipping into the drain. I got no response until I threatened to raise this issue in Parliament. However, when I heard that that same chief executive, Jeff Fairburn, was to receive £110 million as a bonus, on the back of the Government’s policy of Help to Buy, which equates to about £3,100 per house built, I wondered whether the Government thought it was now time to have a debate in this House about corporate greed and corporate responsibility?
Paul Maynard: The hon. Lady has raised an important issue in her constituency already in this Chamber, but I urge her to go further and secure an Adjournment debate to raise it more fully, because it sounds as though it deserves it.

Craig Tracey (North Warwickshire) (Con): Given the challenges NHS services regularly face during the winter, and the excellent cost-effective contribution that local GP surgeries can make in easing pressure at accident and emergency departments in particular, may we have an urgent debate on the support the Government can give to ensure that GPs surgeries are fully equipped to give the required primary care?

Paul Maynard: My hon. Friend makes an important point about how we need to ensure that we manage rising demand, with 2.9 million more attendances at A&E since 2010. Clearly, we have a dynamically changing healthcare demand pattern, so it is important that we do all we can in our local communities to manage that demand better. GPs have a key role to play in that, and he makes an important point that I hope can be added to further in this Chamber.

Patrick Grady (Glasgow North) (SNP): Maryhill jobcentre in my constituency will close tomorrow, in the face of massive public opposition. When will the new Minister for Employment, the hon. Member for Reading West (Alok Sharma), come to the House and reassure us that no further jobcentres in Glasgow are under threat?

Paul Maynard: I hear what the hon. Gentleman has to say and understand his concern. We are increasing the number of Jobcentre Plus staff in Scotland and throughout the country to provide more support to those who need it most. We are merging a number of organisations that provide that support in his part of Scotland. I hear his case for a debate and urge him to consider an Adjournment debate on the issue to allow the Minister responsible to explain what we are doing here in England.

Maria Eagle (Garston and Halewood) (Lab): The most recent figures show that a staggering 69% of new houses built in the north-west are unnecessarily sold as leaseholds, leaving homeowners at the mercy of cowboys who block-buy their freeholds in job lots in order to exploit them financially. The hon. Gentleman gave a poor answer to my hon. Friend the Member for Halton (Derek Twigg) when he asked about this earlier. May we have an urgent debate in Government time about what the Government are going to do now to help the thousands of people, including many of my constituents, who are subjected to this appalling financial exploitation?

Paul Maynard: I am always disappointed if Opposition Members are disappointed by my replies. I am keen to make sure that we address the concerns the hon. Lady has expressed. The Prime Minister was clear yesterday that we are bringing forward changes to legislation. I suggest that the hon. Lady urges a degree of patience while we make sure that we get it right. We can then discuss our proposals.

Nick Smith (Blaenau Gwent) (Lab): May I press the Minister to tell us when exactly there is going to be a Government statement on today’s public relations launch by the Prime Minister of the 25-year plan for the environment? When are we going to see it?

Paul Maynard: I am sure there will be—

Anna McMorrin: Just answer the question.

Paul Maynard: If the hon. Lady would give me a chance to get my mouth in gear to actually say something, she might hear what I have to say. Unfortunately, my voice box does not operate at the same speed as everybody else’s, so please be patient.

I am sure that the hon. Member for Blaenau Gwent (Nick Smith) will agree that the Secretary of State for Environment, Food and Rural Affairs will be keen to make sure that the House is fully aware of all that we seek to do with our environmental plans. I am sure that the hon. Gentleman will not have to wait long to hear in this place what we are seeking to do. The Prime Minister is today making several important announcements, and I am sure we will have further opportunities to discuss them in the days and weeks to come.
Toby Perkins (Chesterfield) (Lab): The Government’s welcome review of fixed-odds betting terminals will enable them to change the stakes and many other aspects of FOB T policy without the need for primary legislation. That is welcome, as we do not want the changes to be delayed any further, but it will leave a democratic deficit. Will the Government allow a debate in Government time on the issues relating to FOB Ts so that we can ensure that this crucial issue is properly debated?

Paul Maynard: We have already had several debates in the House on FOB T s, which I know from my casework are an important issue in my constituency. I urge the hon. Gentleman to apply for all sorts of debates so that we can keep exploring the issue further. An announcement is coming in due course; perhaps his work will hasten its arrival.

Neil Coyle (Bermondsey and Old Southwark) (Lab): In the past few years, my constituents have seen a rise in moped-related crime and knife crime. The police do their best to investigate these problems, but prosecution rates have flattened. Will the Government provide time to debate this inability to deliver justice to victims and their families, and when will they improve their shabby track record?

Paul Maynard: I am sure that the hon. Gentleman will recognise the volume of work that is going on right now between all those involved—the Mayor of London, the Metropolitan police and the Home Office—to try to understand the underlying causes that have led to the increases that we have seen and the changes in modus operandi at the moment. He is quite right to keep pressing the Government, and I urge him to do so through the usual channels and by calling for debates.

Alan Brown (Kilmarnock and Loudoun) (SNP): This week, the Cabinet Office confirmed to me that the target turnaround time for a response to letters from hon. Members is 20 days, yet in response to letters that I have sent, it took two months to get a letter from the Chancellor. I am now approaching 100 days and counting for a response from the Environment Secretary and two months and counting for a response from the Energy Minister. Can the Minister make a statement, outlining what is going to be done to hold this new dynamic Cabinet to account when it comes to responding to hon. Members?

Paul Maynard: I know that the Leader of the House takes this matter immensely seriously, and I certainly did when I was a responding Minister. We have strict guidelines to which we expect Departments to adhere, and they are monitored carefully. I urge the hon. Gentleman to ensure that he chases up the replies that he has not received. We will make sure—as I am sure that the Leader of the House will do—that we always strive for continuous improvement.

Clive Lewis (Norwich South) (Lab): Can the Minister make time to debate the planned closure of the Unilever and Britvic plants in Norwich South? Local people want the Government and Ministers to take action. So far, we have a Business Secretary refusing to come to the city to meet the workers, a trade Minister who says that he does not want to be involved and another business Minister who says that he actively wants to see the plant close. Will the Government please pull their finger out?

Paul Maynard: I certainly heard the hon. Member’s point of order yesterday and I share and understand the concern that many Unilever employees feel about the current and growing uncertainty. The Government are certainly disappointed that Unilever has decided to close the Norwich plant. We welcome its commitment to maintaining most of the mint production in Norwich, and stand by ready to help the workforce wherever we can. This is a worrying time, and we need to work with Unilever to get further clarity over what is intended.

Justin Madders (Ellesmere Port and Neston) (Lab): The automotive sector in this country is facing challenging times, and no more so than the Vauxhall car plant in my constituency where another 250 redundancies were announced this week on top of 400 last October. May we have a debate, please, as a matter of urgency, about what practical steps the Government can take to protect manufacturing jobs in this country and secure the future of the car plant?

Paul Maynard: As I said earlier, the hon. Gentleman will not be surprised to know that, as someone from Cheshire, I understand the importance of Vauxhall Motors to the Ellesmere Port community. I was as disappointed as I am sure he was to hear about the further job losses. The rapid response service of Jobcentre Plus has already been put into action, and the Government are trying to engage with Vauxhall further throughout the process to do all we can both to protect UK jobs and to help those who are affected. There will be much more help available to those who are affected, but I recognise his concerns and will make sure that the Leader of the House passes them on to the Department for Business, Energy and Industrial Strategy.

Daniel Zeichner (Cambridge) (Lab): You may be aware, Mr Speaker, of the concern that many parents have about skin gambling and loot boxes and worries in the video gaming sector about unauthorised third party websites selling those items from those loot boxes, thus potentially turning young people into gamblers. There have been reports of young people losing a great deal of money very quickly. May we have a debate in Government time on how best to protect our young people and also safeguard our very successful and vibrant video game industry?

Paul Maynard: The hon. Gentleman has raised an important example of how internet development and technologies can change rapidly and create new threats and dangers for which we need to ensure that we are fully prepared. He raises an important point. It sounds like a perfect vehicle for an Adjournment debate or a Westminster Hall debate, which will then make sure that the Minister’s attention is drawn to the matter more fully.

Martin Whitfield (East Lothian) (Lab): The Minister has already commented on the European Union (Withdrawal) Bill, clause 11, and the debates and discussions that are taking place elsewhere in regard to it. However, may we have an urgent statement rectifying the record where assurances were made to Members across this House that the amendments would be tabled next week?
Paul Maynard: I listened carefully to the hon. Gentleman’s many assiduous points of order that have been made hitherto. Clearly, he has been following this closely and will have heard my earlier reply that the Government are committed to ensuring that the amendment is tabled, but they can do so only when those negotiations are successfully concluded. We are intensifying our efforts, and hope that that will be as soon as possible.

Stewart Malcolm McDonald (Glasgow South) (SNP): Despite not one single Minister setting foot in any of the jobcentres that the Government will close in Glasgow starting from tomorrow, they plan to go ahead anyway. Can we have a statement, because this news comes in the same week that privately-owned First Bus UK is increasing fares by up to 40% for some travellers in the city? When this programme of closures finishes, there will be nine centres; there are currently 16. We need an urgent debate. Will the Minister facilitate that?

Paul Maynard: I know that this matter has been discussed on a number of occasions in many venues in the House. I ask the hon. Gentleman to focus not just on the input—the number of jobcentres—but the output. There will be more work coaches available across Glasgow, which will lead to better outcomes for his constituents who need support from the jobcentre.

Chris Elmore (Ogmore) (Lab): I have been working with two teenage constituents whose mother sadly passed away after a terminal illness. Due to not having a witnessed will, the daughters will not inherit any of the pension, which will go to the mother’s estranged second husband. Can we please have a statement from the Treasury about the issue of wrongful inheritance?

Paul Maynard: The hon. Gentleman raises a point that is important to his constituents, although it is, of course, not one to which I can give him an answer today. He may wish to pursue a written question, which results in a statement of fact from the relevant Department that will help him to progress that particular piece of casework.

Christian Matheson (City of Chester) (Lab): Has the Minister seen the BBC reports this week on the results of a survey about bullying in this place—results that will come as no surprise to members of the Unite parliamentary staff branch? In view of this survey, will he tell the House whether there has been any progress on the publication of the report into bullying and sexual harassment?

Paul Maynard: I am sure that the hon. Gentleman is aware that the Leader of the House is taking this issue extremely seriously. She has played a key role, working with the shadow Leader of the House on the working group that is trying to come up with a cross-party consensus on the steps that should be taken. I am sure that the hon. Gentleman will agree that any workplace bullying—whatever the venue—is wrong, more so than ever in this place. We all rely on the people who work so hard in our private offices to manage both the constituency end of the business and what we do here in Westminster, and they deserve to be treated with respect at all times.

Jim Shannon (Strangford) (DUP): Let me first say that I am grateful to the Prime Minister for lengthily raising the importance of the freedom of religion or belief in her Christmas message. In December last year, I mentioned the alarming scale of deaths caused by persistent violence between the Muslim Fulani herdsmen and Christian farmers in Nigeria’s middle belt. The new year parade saw several attacks on Christians in five communities in Benue State, where more than 50 people were killed. Will the Minister request a statement to review the training that the UK provides to the Nigerian armed forces to ensure that Nigeria’s citizens are protected?

Paul Maynard: The hon. Gentleman is, quite rightly, an assiduous campaigner on this issue, and there are numerous debates on it. I am struck by how many of my constituents also contact me with these concerns. I congratulate him on his persistence and urge him to continue with those debates on this very important issue.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Minister will have been made aware today of the impending closure of the jobcentre in Maryhill and Possilpark that serves half of my constituency, but he may not be aware of a freedom of information request that was made for an impact assessment of that closure. That has determined that the nearest jobcentre will be three miles away in Springburn, and that there will be a disproportionate impact on women, ethnic minorities, and people with disabilities and caring responsibilities. Will the Minister insist that the new Minister for Employment attends this House and makes a statement on the impact that this closure will have, and on how he will mitigate it?

Paul Maynard: The hon. Gentleman is right to raise this matter. He will have heard me say earlier that where longer journeys times were involved, we had a full public consultation on the decision. I ask him to bear in mind what I also said to the hon. Member for Glasgow South (Stewart Malcolm McDonald), which is that I would like him to focus as much as possible on the outputs of the process, which will lead to more work coaches assisting his constituents.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The Scottish Government have now twice written to the outgoing Secretary of State at the Department for Digital, Culture, Media and Sport, asking her to intervene in order to save jobs in the culture and sports sectors following the severe decline in lottery revenues seeing huge cuts to the money going to devolved sports and culture bodies. May we have a debate on the importance of sport and culture, and on how we plug the huge gap in resources causing these sectors to suffer?

Paul Maynard: I will certainly mention that point to the Leader of the House, who will want to ensure that the hon. Gentleman gets the response he expects. At the same time, I urge him to consider the various avenues for debates in this place to find an appropriate forum to air his concerns.

Mr Speaker: I am most grateful to the Government Whip on duty, and thank him for his sterling service. He has had to respond to a vast litany of different inquiries and, if I may say so, has performed with great dexterity.
Fostering

EDUCATION COMMITTEE

Select Committee statement

Mr Speaker: We now come to the Select Committee statement. The Chair of the Education Committee, the right hon. Member for Harlow (Robert Halfon), will speak on his subject for up to 10 minutes, during which time no interventions may be taken. At the conclusion of his statement, the occupant of the Chair will call Members to put questions on the subject of the statement and will call the right hon. Gentleman to respond to those questions in turn. Members can expect to be called only once. Interventions should be questions, and should be brief. Those on the Front Bench may take part in questioning.

12 noon

Robert Halfon (Harlow) (Con): I am delighted to make this short statement about our Committee’s report. Social justice is one of the primary objectives of the Education Committee. It is vital that young people in foster care are able to climb the educational ladder of opportunity like anybody else. I begin by paying tribute to the previous Committee of the 2015 Parliament and particularly to its Chair, the former Member for Stroud. I also thank the officers of the Education Committee, who have done a huge amount of work on this report.

In our final evidence session, we heard moving testimony from young people with experience of foster care. Members present had dry throats and some had tears in their eyes. We also heard from my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill), the former Minister for Children and Families, for whom I have huge respect; he was willing to share his evidence session with the young people, which created an important and unique session.

In our report, we wrote of the importance of valuing the three pillars of fostering: valuing young people, valuing foster carers and valuing the care system itself. The fact is that the foster care system in England is under significant pressure. That must be of national concern, given that it is often the most vulnerable young people in our society who are being failed by a care system that does not meet their needs.

The number of looked-after children has risen by 7% since 2013. I welcome the fact that the Government have recognised that pressure and commissioned their own review of fostering by Sir Martin Narey and Mark Owers. I understand that that review is with Ministers own review of fostering by Sir Martin Narey and Mark Owers. I understand that that review is with Ministers—indeed, with Ministers for Children and Families, for whom I have a proper identity for all foster carers across our country. We believe that a national recruitment and awareness campaign, initiated by the Department, could help to improve capacity in the system.

We also heard from my hon. Friend the Member for Eastbourne (Mr Holden) and the hon. Member for Walsall North (Stella Creasy), and my hon. Friends the Members for Northampton South (Mr Hollobone) and for North East Cornwall (Mr Graydon), who made this short statement about our Committee’s report.

Young people must be placed with siblings wherever it is possible and appropriate. If it is not, social workers and others have to make a greater effort to facilitate regular and meaningful contact. I urge the new Minister with responsibility for children to ensure consistency and guarantees of advocacy for all foster children. Ofsted says that one in three children are not placed together when one is already in care. A 17-year-old, who had been moved away from her siblings, told us that “to lose a bond with your own siblings is sad, because you’re by yourself in the world and your siblings are practically your best friends and you’ve lost your parents and then your siblings, and it’s like your whole world has crashed down really quite quickly.”

The second chapter of our report focuses on valuing foster carers. They play an important role in our society—they provide remarkable care in difficult circumstances—but are often under-appreciated, undermined and undervalued. The Fostering Network estimates that there is a deficit of 7,600 foster carers. The foster carer population is disproportionately female and ever ageing. Too often they have to wade through a treacle of bureaucracy, and they are not adequately supported financially or professionally in the vital work they do. Their status is unclear in terms of employment—but not, sadly, with the Inland Revenue, which treats them as if they were employed.

In our report, we press the Government to ensure that all foster carers are paid the national minimum allowance. The Fostering Network found that 12% of local authority fostering services were paying below the national minimum allowance for at least one age bracket, that 47% had frozen allowances and that five had reduced rates compared with 2016-17. Ministers need to make sure that the allowance matches rises in living costs and allows carers to meet the needs of those they are caring for. Carers must also benefit from legal protection against the increasing number of malicious and unfounded allegations.

The final section of the report concerns valuing care. We recommend that the Department for Education establish a national college to work towards improving working conditions for carers, provide a resource for their training and support and give them a national voice and representation. Initially, we envisage not a building but a virtual college on the internet. We believe there is value in a mechanism for greater sharing of best practice and increasing professionalism and for creating a proper identity for all foster carers across our country. We believe that a national recruitment and awareness campaign, initiated by the Department, could help to improve capacity in the system.
For too many children and young people, the experience of care is of something done to them, not with them. There has to be greater involvement of foster children and better information for them on their placements, and a consistency of practice to ensure that all young people can benefit from an appropriate and positive experience of foster care. The Government listened to the strong representations from Committee members on extending the extra 15 hours a week childcare entitlement to children in foster care, and I welcome the moves that have been made on that. In this new year, the Committee hopes that Ministers will consider the recommendations in our report and show that we truly value foster children and foster care.

Lucy Allan (Telford) (Con): I thank my right hon. Friend for his statement and for ensuring that the fostering report was finished in this Parliament. I was a member of the Select Committee in the previous Parliament, and am a member in this one, and I am glad he shares my views on the importance of making sure that children in care have a voice. Does he agree that one of the most powerful points made to the Committee during the inquiry was on the importance of stability and permanence in a child’s life, especially for children who have experienced so much instability and disruption? Will he work with me to ensure that both their voices and that issue continue to be heard in the House?

Robert Halfon: May I put on the record my huge thanks to my hon. Friend for her support and hard work on the Committee in getting the report to the House and for her remarkable knowledge about and passion for children in care? She is absolutely right that stability is one of the most important things. It is incredible to me that children are moved from pillar to post, often without any knowledge of what is going to happen, any choice or any access to advocacy. That has to change.

Chris Bryant (Rhondda) (Lab): I warmly commend the right hon. Gentleman and the whole Committee for the report. I know from my next-door neighbours, who have been foster carers and have now adopted, of the phenomenal love, tenderness, care, dedication and commitment of foster carers, often in the face of phenomenal bureaucratic obstacles.

The right hon. Gentleman will probably know of the statistics that show that the proportion of girls in care who go on to become teenage mums or to be raped is much higher than the proportion among other girls. What can we do to ensure that these people—the most vulnerable people in our society—are properly protected?

Robert Halfon: I thank the hon. Gentleman for his thoughtful question and for raising that wider point. My hon. Friend the Member for Telford (Lucy Allan) talks about this issue quite a bit. The crucial thing is early intervention and prevention to avoid the problems that the hon. Gentleman raises. My view is that we need a wider review of the whole issue of vulnerable children and children in care. He touches on points that will no doubt be further discussed in the House and in the Committee.

Tim Loughton (East Worthing and Shoreham) (Con): May I draw attention to my entry in the Register of Members’ Financial Interests?

I welcome the report and very much hope that it will be taken seriously by the Department for Education, in tandem with the Narey report, which has been submitted. I entirely recognise the problems that my right hon. Friend’s Committee has flagged up in respect of the shortage of supply of foster carers, too many foster children being moved around too often, too many of them being moved well out of the area of their placing authority, and too many sibling groups—that vital anchor—bring broken up.

On foster carers, what examples of good practice by local authorities in recruitment and retention did the Committee see? What lessons does my right hon. Friend think can be learned from the work that some of us did in the Department for Education on adoption through centralised recruitment to encourage adopters to come forward and, crucially, on offering adoption support services to make the job of the wonderful adopters so much easier and placements much more sustainable? That is still not happening to the same extent for foster children.

Robert Halfon: I thank my hon. Friend for his question and welcome his new-look Gandalf-type beard. He raises some important issues. The previous Committee and the current Committee received evidence from different local authorities and fostering providers. There is good practice, and we need to learn from it. That is why the report suggests that we have a national college for foster carers that shares best practice, whether it comes from adoption or from good local authorities. I do think we need a national recruitment campaign for foster carers. They need much more of an identity and should be seen much more as the professionals that they are. We have to learn from best practice.
Backbench Business

Defence

12.13 pm

Vernon Coaker (Gedling) (Lab): I beg to move,

That this House pays tribute to the men and women who serve in the Armed Forces; believes that the Armed Forces must be fully-equipped and resourced to carry out their duties; and calls on the Government to ensure that defence expenditure is maintained at least at current levels, that no significant capabilities are withdrawn from service, that the number of regular serving personnel across the Armed Forces is maintained, and that current levels of training are maintained.

I am not sure whether I have to declare an interest, but I want to put it on the record that my son-in-law is an active member of Her Majesty’s reserves. As a family, we are all very proud of him, as no doubt many other hon. Members will be proud of individual members of their families.

I thank the Backbench Business Committee for supporting the application and all Members of the House who supported my securing this debate, including the Chair of the Select Committee on Defence, my hon. Friends the Members for Stoke-on-Trent North (Ruth Smeeth) and for Barnsley Central (Dan Jarvis), and the hon. Member for Strangford (Jim Shannon).

No one questions the desire of any Member of this Parliament to defend our country against any threat. I say loudly and clearly that neither does anyone question Parliament’s pride or belief in the professionalism and immense dedication to duty of our armed forces. It is really important to say to those watching this debate that Parliament will rightly challenge the Government and hold them to account, but all of us, whether on the Government or Opposition Benches, are united in wanting to defend our country and in our immense pride for the dedication and professionalism of all our armed forces.

No one questions that, but Parliament does sometimes have to ask whether starting these debates is enough. At a time when our country faces real challenges, we have to match our rhetoric with the reality of the threats that we face. The Government, like all of us in this House, will know—indeed, this is what prompted so many of us to ask for this debate—of the constant media speculation and headline splashes about cuts to the various capabilities of our armed forces. It is vital that our defence budget, whatever that is, ensures that our armed forces are properly equipped for the challenges we will face in the future. It is abundantly clear that our armed forces—this will be one theme of what I say and, I am sure, of what is said by many other Members—need resources over and above what is currently planned for them, particularly in the light of the increasing threats we face as a country.

Derek Twigg (Halton) (Lab): I congratulate my hon. Friend on securing the debate and on his commitment to defence. Is it not true that the Government have not set out a strategic vision of how we, as a country, will meet the threats we face?

Vernon Coaker: That question goes to the heart of everything we read from the all the various Select Committees and debates. It is the desire of all those Committees, of this Parliament and of all of us who take an interest in defence that we identify the strategic threats we face as a country, and then mould and adapt our armed forces and our security and intelligence services to meet those threats. I will say a little more about my hon. Friend’s point in a minute.

Only yesterday, General Sir Nick Carter, the head of the British Army, said on the “Today” programme that the threats had never been greater in his 40-year career. In evidence to the Joint Committee on the National Security Strategy, Mark Sedwill, the National Security Adviser, confirmed that in the last two years we have seen an intensification of the threats we face. Indeed, the former Defence Secretary spoke at another evidence session of an intensification of the risks that our country faces.

We can all name those risks: we have seen the various adventures that Russia has been involved in; we have seen what has happened with China and North Korea; we have seen terrible terrorist incidents in our country; we have seen the identification of risks in respect of new technologies, cyber and artificial intelligence and where that may take us; and we have seen the undermining of the rules-based international order. Those are not made-up threats; they are very real assessments of what our country faces, alongside its allies and those who stand with us. Parliament has a responsibility and a duty to debate how we will meet those threats. That is, I believe, something that the public would expect us to do.

This has been added to, whatever the rights and wrongs of it, by Brexit, which has caused us, as a nation, to reflect on our place in the world. I say strongly to hon. Members—looking around, I think many will agree—that this Parliament should once again send a clear message to our allies and the rest of the world that as a senior member of NATO, a permanent member of the United Nations Security Council and a leader of the Commonwealth, we will not turn inwards and we will not flinch from our historical role as a promoter of democracy and defender of human rights, while also ensuring that our own interests are fully protected.

John Spellar (Warley) (Lab): My hon. Friend mentioned North Korea. Is it not the case that the actions of the North Korean regime are a massive threat to the international rules-based order, and does not that need to have higher priority in the thinking not only of our own Government but of our allies?

Vernon Coaker: My right hon. Friend makes a very good point. North Korea and China are threatening some of the rules-based international order—particularly, as he says, North Korea. We have to meet that threat, and this debate is partly about how we do that. We have to win the argument again with the British public on this. The British public have to be persuaded—or not, because they can say, “We don’t agree.” We as a Parliament have to make the case again for why it is sometimes important for us to be concerned about actions that are taking place thousands and thousands of miles away, and understand why they have an impact on our own interests and our own security here at home. It can no longer be enough just to assert a problem—we have to once again make the case as to why matters such as North Korea are important.
Just two years after the strategic defence and security review of 2015, here we are in the midst of another review, led by Mark Sedwill. I know—other Members have mentioned this to me—that the Defence Secretary is trying to pull away the defence part of the security capability to provide a longer time to reflect, and I hope he is successful in doing that. However, as it stands, we have a review that is shrouded in uncertainty and that we are now told is to be delayed. One particular thing that was said in the Committee is completely wrong and has to be changed by the Government. Mr Sedwill said that “this exercise was commissioned by the Council as fiscally neutral.” Fiscally neutral? How can we come to such a conclusion before all the strands of the review are finished? Surely this is about matching resources to threats, not the other way round. Let this be the line in the sand that ensures that this principle is at the heart of the decisions we take as we now move forward.

We see story after story appearing in the media, speculating on which capability may or may not be cut. Why does this speculation abound? Why are there not statements to Parliament? Why is there no explanation of what is actually going on? To be fair to the Minister, I know that he will be concerned about some of this, but it is not good enough for the Government to dismiss these potential capability cuts as mere speculation by saying, “We don’t comment on these” or “No decisions have been made.” I do not want—nor, I am sure, does any Member of this House—a statement to be made to this House in three months’ time telling us what is going to be done rather than this House having debated and discussed it and come to a view as to where we should go. I do not want, and I do not believe Parliament wants, to wait for a set of decisions to be presented to us as a fait accompli. That is not good enough. Our country deserves better. The public and Parliament need to be properly informed. I am certain that colleagues across this House believe that it is for Parliament to debate the issues, to inform the decisions, and to play our full part in the choices we make as to how we defend our country and its freedoms.

According to the permanent secretary at a hearing of the Defence Committee at the end of last year, it appears that the Secretary of State has, as yet, made no explicit request for additional funding from the Chancellor. Will the Minister tell us where the discussions that have been reported in the media have got to? Will he confirm what the Defence Secretary is now saying to the Chancellor? Has he demanded any additional funding? Where has the discussion got to, or not, as to whether there is to be any additional funding? Will the Minister also confirm whether the defence aspect of the capabilities review has been delayed?

Dr Julian Lewis (New Forest East) (Con): The hon. Gentleman will probably be astonished to learn that the National Security Adviser—Sir Mark Sedwill, as he now is—wrote to me on 23 October and said:

> “Because the main decisions on Defence were taken during the
> SDSR, this review is not defence-focused. Defence capability is one of several projects within the review.”

We are therefore finding difficulty in bringing the National Security Adviser to the Defence Committee because he says that the review is not defence-focused. Yet the first thing we will know about the review is when we are told what major defence capabilities are going to be cut.

Vernon Coaker: I could not agree more with the Chair of the Defence Committee. He is absolutely right. Sir Mark Sedwill says that the review is not defence-focused, but he also said to the Committee, if I remember correctly—he has certainly been reported as saying this in the media—that there is a need for us to increase spending on our cyber and intelligence capabilities. This is fiscally neutral, so where is the money going to come from? That is why we get the speculation about the cuts in defence capabilities to which the right hon. Member for New Forest East (Dr Lewis) refers. Because this is fiscally neutral, we are looking to take money from one thing to pay for another. The whole thrust of my argument is that if one thing is a threat and another thing is a threat, we do not rob from one to pay for the other—we fund them both because our country would demand that we do so.

Toby Perkins (Chesterfield) (Lab): I agree entirely with my hon. Friend. With regard to many of the commitments that were made in SDSR 2015, the money that would be needed to deliver on all those does not match up with what has been allocated to defence in the Budget statements. We are already being promised a lot of commitments that do not bear any relation to the amount of money that is currently allocated to defence in the Budget.

Vernon Coaker: I agree. I will come on to the point that my hon. Friend has made very well when I talk about affordability.

James Gray (North Wiltshire) (Con): I congratulate the hon. Gentleman on this debate and on his speech, with every single word of which the whole House would agree. We also could not possibly disagree with the motion, with one exception. It is exceptionally disappointing that he calls for defence expenditure to be maintained “at current levels”. Actually, defence expenditure should be increased quite substantially, and that is the thrust of his speech, so he has got the wording of the motion slightly wrong.

Vernon Coaker: I thank the hon. Gentleman for his advice. I am sure that he has read the whole motion, which says that expenditure should be maintained “at least at current levels”. This is the problem that I have in trying to be conciliatory. I tried to put together something that everybody would agree with, but perhaps I should have been a bit stronger. I take the admonishment, but I did say “at least”.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): My hon. Friend refers to maintaining a fiscally neutral position in defence spending. Does he recognise that in the past few years defence inflation has been 3.9%, on average, whereas the background GDP deflator has been only 0.8%? We are seeing a huge erosion of the effective purchasing power of the defence budget every year that is eroding our capability every year.

Vernon Coaker: My hon. Friend knows, from his own background in the defence industry, the importance of the point he has made. It is not just the headline inflation figure but the real inflation rate we face that
needs to be addressed when we make any spending decisions, so the point is very well made. If I may, Madam Deputy Speaker, I will speak for just a few more minutes.

We find ourselves in an incredibly serious situation, given that a Defence Minister is reported to have threatened to resign if the Army numbers are reduced any further. Will the Government rule out any further reductions in troop numbers below the 82,000 figure? The Army is already 4,000 below that figure, recruitment and retention in our armed forces as a whole has reached crisis point and the current deficit in the number of service personnel needed is 5.6%. I say to the Minister that central to this—I know the Government have made some noises about it—is lifting the 1% public pay cap for our armed forces. We should ensure that something is done about it as soon as possible.

What about the cuts to training that we have all read about? The Government have confirmed that a number of training exercises have already been cancelled for 2018, largely due to costs. According to a parliamentary written answer I have seen, those include Exercise Black Horse and Exercise Curry Trail, which involves jungle training. Have we now abandoned the foolish idea of cutting the marines by 1,000 people, and of getting rid of HMS Albion and HMS Bulwark, which would mean we did not have the ability to mount beach landings? As I have said, the Government say that this is speculation, but the Minister now has an opportunity to rule out such things; he could say that this is speculation, that these things are not going to happen and that this Government will not let them take place.

Following on from the point made by my hon. Friend the Member for Chesterfield (Toby Perkins), all of this is taking place against the backdrop of continuing financial pressures on the MOD’s £178 billion 10-year equipment plan. The National Audit Office has said: “The risks to the affordability of the Ministry of Defence Equipment Plan are greater than at any point since reporting began in 2012.”

That is surely right. The plan relies heavily on efficiency savings being made in order to make ends meet. The MOD’s permanent secretary has stated that there is a need to save £30 billion over a 10-year period.

The 10-year equipment plan for the MOD does have amazing new equipment for our armed forces—new frigates, new planes and the Ajax fighting vehicle—and our defence companies provide massive employment opportunities, including apprenticeships. Many areas depend on this military spending, as well as businesses such as BAE, Airbus, Thales, Raytheon, Babcock and many others, including small and medium-sized enterprises. They need certainty in their orders, however, and regular orders to maintain their skill base, and the questions raised by the Defence Committee and the National Audit Office about affordability and efficiency savings cannot just be dismissed. The refreshed defence industrial strategy must be something that makes a tangible difference.

Emma Little Pengelly (Belfast South) (DUP): I strongly agree with everything the hon. Gentleman has said. We must support our brave men and women in our armed forces in every way we can, particularly in equipping them sufficiently. I know he would agree with me that it is critical to support our armed forces personnel after they leave and to resource such support properly. There is one part of the United Kingdom that does not have full implementation of the armed forces covenant, and that is Northern Ireland, due to Sinn Féin’s continued antipathy to the armed forces. Does he not agree that we should all work together to make sure that our armed forces personnel are fully supported not only while they are in the Army, but after they leave, and that there should be full implementation in Northern Ireland as soon as possible?

Vernon Coaker: I thank the hon. Lady for the important point she makes. It is obviously crucial that all our veterans, wherever they are, are supported and that arrangements are made to do so. Exactly how that should be done in Northern Ireland needs to be a matter for discussion, but let me say it is clear that arrangements must and should be put in place to support our veterans.

I was talking about the equipment plan, and I will take a couple more minutes to put before the House some points that highlight the problems. Will the Minister be more specific about the cost of the F-35 fighter plane for our wonderful new aircraft carriers? This is crucial because if we do not know how much the planes will cost, we do not know what the impact will be on the other parts of the equipment budget. If I may say so to the right hon. Member for New Forest East, I thought the Defence Committee’s report was brilliant on this, including the questioning from the right hon. Member for Rayleigh and Wickford (Mr Francois) and others.

I find it frustrating that the Committee, and other Members of this House, use the Government’s figures, but are then told something else. The total estimated cost to 2026-27 is £9.1 billion, during which time we will purchase 48 aircraft. However, the Government tell us that they cannot say how much each aircraft will cost. They then dispute the £9.1 billion figure, saying it includes this and includes that, and then arrive at a different figure, so what is the right figure? If we are wrong to divide £9.1 billion by 48, which gives £189 million per aircraft, and if the figure of £150 million given in The Times is wrong, what figure are the Government using to make sure that their equipment plan adds up? These are crucial questions, because if they will not say what is affordable, we will not know the impact on other capabilities.

Let me conclude by saying that the stark choices before us have recently been quite starkly spoken about by three very distinguished former armed forces commanders when they expressed their concerns and observations about the national security capability review. General Sir Richard Barrons said that “if you do not put this money back into defence and pay the bill for SDSR 2015, you will be responsible for tipping the armed forces into institutional failure. That will be a failure of Government, not the armed forces.”

Air Vice-Marshall Sir Baz North said that the Government needed to “Fund the corrections of 2015”, and, agreeing, Admiral Sir George Zambellas said: “I cannot add value to the strategic comments of my colleagues.”

This debate gives the House—and this Parliament—an opportunity to speak for the country, and to give our armed forces the resources they need to meet the threats
that this country faces. Our armed forces deserve it, our country deserves it and our allies are looking to us to provide it.

12.37 pm

Dr Julian Lewis (New Forest East) (Con): I pay tribute to the hon. Member for Gedling (Vernon Coaker). Not for the first time, he has given great service to the cause of defence. He was an outstandingly good shadow Defence Secretary, and as long as there are people like him in the ranks of the Labour party the prospects for a bipartisan approach to defence remain excellent. I must extend that praise to all 11 Members from the four parties represented on the Defence Committee, every one of whom is strongly committed to the defence of this country.

Until recent years, little attention was paid to a possible threat from post-communist Russia, because for a long time after 9/11 counter-insurgency campaigns in third world countries were thought to be the principal role of the armed forces. However, we are now spending just £0.4 billion on operations of that type out of an annual defence budget of about £36 billion. According to the 2015 SDSR, that budget should by 2020 fund 82,000 soldiers, more than 30,000 sailors and marines, and almost 32,000 RAF personnel, plus another 35,000 reservists. To these must be added some 41,000 civilians, many of whom, like those who serve in the Royal Fleet Auxiliary, are service personnel in all but name. Finally, there are special forces, as well as new units that have been created to deal with cyber-security and counter-propaganda. Then there is all the equipment, which currently comprises over 4,000 Army vehicles, including tanks and artillery; about 75 Royal Navy ships and submarines, including the nuclear deterrent; and over 1,000 RAF fixed-wing and rotary aircraft. As a portent of things to come, the services also operate a mixture of large and small surveillance drones and 10 unmanned hunter-killer aerial attack vehicles.

All in all, we still have a fairly full spectrum of military capability, and in absolute terms—as I am sure we would all accept—£36 billion a year is a considerable sum. Set in historical perspective, however, that level of defence investment falls far below the efforts that we have traditionally made when confronted by danger internationally.

The Defence Committee published a report on defence expenditure in April 2016. Entitled, “Shifting the Goalposts?”, it attracted attention for highlighting the inclusion of costly items such as war pensions and MOD civilian pensions at a time when Prime Minister Cameron and Chancellor Osborne were scrambling to meet the 2% of GDP benchmark which, as we know, was set by NATO as a minimum—not as a target—for all its members. The Government were entitled to include such items in their 2% calculations, but they had never chosen to do so previously. It was therefore clear that by resorting to a form of creative accountancy, we were no longer strictly comparing like with like in overall expenditure terms.

Our report was especially revealing in its tables and graphs, which were well researched by Committee staff. They showed UK defence expenditure as a percentage of GDP year by year, from the mid-1950s to the present day, and compared those data with the corresponding figures for spending on welfare, education and health. We found that in 1963 we spent similar sums—about 6% of GDP—on both welfare and defence. Now we spend six times on welfare what we spend on defence. In the mid-1980s, the last time we faced a simultaneous threat from an assertive Soviet Union, as it then was, and a major terrorist threat in Northern Ireland, we spent similar sums—about 5% of GDP—on education, on health, and on defence. Now we spend two and half times on education, and nearly four times on health, what we spend on defence.

At the height of the east-west confrontation, in every year from 1981 until 1987, we spent between 4.3% and 5.1% of GDP on defence. Between the fall of the Berlin wall in 1989 and the failure of the Moscow coup in 1991, the cold war came to an end. Consequently, and predictably, a reduction in defence expenditure followed. That was known as the peace dividend yet—this is the key point—even after it had been taken, and even as late as the financial year 1995-96, we were still spending not 2% of GDP, which is the NATO minimum, but fully 3% of GDP on defence. That was without the accounting adjustments that have been used to scrape over the 2% line in the past few years.

To sum up, from 1988 when the cold war began to evaporate, until 2014 when we pulled back from Afghanistan, defence spending almost halved as a proportion of GDP. Now that we face a newly assertive Russia and a global terrorist threat, the decision to set 3% of GDP as our defence expenditure target can no longer be delayed.

Toby Perkins: I have also looked at the statistics mentioned by the right hon. Gentleman, and he is absolutely right about the creative accounting. Even taking that into account, it seems impossible to reach the conclusion that we have ever spent as little as we currently spend on defence in comparison with our GDP.

Dr Lewis: That is absolutely right. It is a measure of how far downwards our expectations were managed during the reductions in percentage GDP spent on defence under the Blair Government and the Cameron coalition Government, that it was regarded as a cause for triumph and congratulation when it was finally confirmed that we would not be dropping expenditure below 2%. The matter had never been questioned at all prior to that period.

Mr Francois: I thank my right hon. Friend for giving way, and it is a pleasure to serve under his stout chairmanship of the Defence Committee—[Interruption.] I mean stout in personality terms.

In some ways, the situation is even more challenging than the one my right hon. Friend lays out. He has rightly given the figures in terms of GDP, but in recent years—as we heard in testimony from the permanent under-secretary—in almost every strategic defence and security review and comprehensive spending review, the MOD has had to sign up to additional sets of efficiency savings, now totalling some £30 billion over time. Not only does the MOD have a constricted budget, it has had to find those efficiency savings as well, which makes the situation even more challenging.
Dr Lewis: My right hon. Friend speaks with great experience as a former Armed Forces Minister, and he makes a valuable input to our recent report, "Gambling on Efficiency: Defence Acquisition and Procurement", by making that very point.

Quite rightly, the hon. Member for Gedling emphasised the current process involving the national security capability review, and he focused on the question of fiscal neutrality, which the National Security Adviser says he has been told to observe. When I challenged the National Security Adviser with that on 18 December, when he appeared before the Joint Committee on the National Security Strategy, he said, "Well, it’s not as if the defence budget isn’t growing; it is fiscal neutrality within a growing budget." He then did something else, which is indicative of a worrying trend: he lumped together the £36 billion that we are spending avowedly on defence with all the other money that we spend on everything else related to security, and he started talking about a £56 billion budget. That lumping together of money for security and intelligence services, counter-terrorism and even the relevant aspects of policing with the defence budget, is a form of sleight of hand that causes concern. That is what I wish to address in the second half of my remarks.

We have a real problem in this country because the tried and tested system for strategic decision making has broken down. In my years as a research student, my area of study was the way that Britain planned towards the end of the second world war, and the early period after it, for what form of strategy we would need to deal with future threats. I was struck by the fact that there was a huge argument between 1944 and 1946 between clever officials in the Foreign Office who wanted to make the Anglo-Soviet alliance of 1942 the cornerstone of our post-war foreign policy, and the Chiefs of Staff who wanted to prepare their assessments of what Britain might have to face militarily on alternative assumptions that that alliance might well continue—in which case all would be well—but that it might break down. There was a tremendous stand-off until 1946, when finally the iron curtain had descended and it became clear that the Chiefs of Staff, who had looked at the Anglo-Soviet alliance in theoretical terms and said, "Well it could work, but it might not", had been right to be cautious, and the Foreign Office staff, who wanted to put all their eggs in the basket of being able to continue the wartime alliance into peacetime, had been wrong. I was very struck by the systematic way in which the strategic arguments were hammered out, and at the centre of it all was the Chiefs of Staff Committee.

The Chiefs of Staff Committee, as we all know, is made up of the heads of each of the three services. The shocking thing that I have to say to the House today is that one can now become chief of staff of any of the three armed services—one can become head of the Royal Navy, or head of the Army, or head of the Royal Air Force—and yet have no direct input into the strategic planning process. This is all part of the lumping together of military strategic planning with national security strategies that are vague and amorphous and, above all, primarily in the hands of civil servants.

If the civil servants themselves were steeped, as they used to be, in the subject matter of their Departments, that would be less of a problem than it is today. But some years ago, it was decided that those in the senior levels of the civil service— which are, of course, people very clever and able individuals; that is not in dispute—should be able to hop from one Department to another. One might be at a senior level in one Department and then go for the top job in another, including, for example, the Ministry of Defence. What we have is a combination where formerly specialist civil servants have become generalists and the professional military advisers—the Chiefs of Staff—have become more like business managers serving as chief executives with an allocated budget to administer to their services. All their thoughts about strategy get fed through just one single individual—the Chief of the Defence Staff—who then has to represent all their views on the National Security Council. It is this melding together, this mishmash, of the military, the security and the civilian roles that is undermining what we need, which is a clear-headed and systematic approach to the strategic challenges facing this country.

James Gray: My right hon. Friend is absolutely right, and he made a very useful contribution to the questioning of Mark Sedwill on 18 December. The reason I have not really mentioned Ministers is that, frankly, Ministers do not seem to be having much of a role in this, either. What I did not say, because I did not want to dwell too long on it, is that the stand-off between the Chiefs of Staff and the Foreign Office in 1944 was finally resolved when it went all the way up to Churchill, who finally gave the Chiefs of Staff permission to continue doing the contingency planning for a possibly hostile Soviet Union that they wanted to do, and that the Foreign Office did not want them to do. The reality here is that there has been a loss of focus. There is no proper machinery, other than this rather woolly concept of a National Security Council, served by a secretariat, run effectively by the Cabinet Office.

In conclusion, what I really want to say is this. Constitutionally, we know what is right. That was confirmed when we spoke to the former Secretary of State for Defence in the Defence Committee and he was attended by a senior MOD official. We asked him, “Is it still the case that the Chiefs of Staff—the heads of the armed forces—retain the right to go directly to No. 10 if they think the danger to the country is such that they have to make direct representations?” The answer was yes, it is. But what is the point of their having that right if they are not actually allowed to do the job of planning the strategies and doing what they used to do as a Committee—serving as the military advisers to the Government? As my hon. Friend the Member for North Wiltshire (James Gray) says, ultimately, the Government always
have the right to accept or reject such military advice as they get from the service chiefs, but the service chiefs ought to be in a position to give that advice.

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): My right hon. Friend is coming to his peroration, and I want to go back to his initial point, if I may try your patience, Madam Deputy Speaker. The important point, which was also raised by the hon. Member for Gedling (Vernon Coaker), was the comparison between defence, education and health spending going back a couple of decades. Of course we have had the cold war demise, but I would recommend that hon. Members read the Prime Minister’s speech at the Guildhall in November, which talks about the new threats that are coming round. I pose the question: as we try and passionately make the case for the necessary funding for our armed forces, would it be easier for that case to be made if the passion and enthusiasm for our armed forces on the doorstep, as we campaign for general elections and so on, was comparable with that for health and education? I pose that question because I think there is a role for all of us to play in confirming what status our armed forces should have in future.

Dr Lewis: I am grateful to the Minister for making that point in that way, and nobody could be doing more than he is, within the constraints of his office, to make the case. We all know that.

The reality is that defence is always difficult to get funded in peacetime because it is analogous to paying the premiums on an insurance policy, and people are always reluctant to pay the premiums, although they are very glad to have paid them when the time comes to call in the policy because something adverse has occurred.

Dr Lewis: I agree, but I think it is something more important than that. They must have a proper strategic planning machine at their service; otherwise, they are just a bunch of individuals giving their personal opinions.

It may suit civil servants to sideline the military professionals—to reduce the uniformed contribution to strategic planning to the input of one individual, the Chief of the Defence Staff. It may suit them, too, to sideline the Ministry of Defence and reduce its contribution to a single strand of a so-called national security strategy, but it does not suit the national interest to have inadequate specialist military pushback against politicians with poor strategic grasp and a political bee in their bonnet. That is how disastrous own goals, like the Libya fiasco, come to be inflicted upon us, despite the warnings of the then Chief of the Defence Staff against overthrowing the Libyan regime.

A single military adviser, no matter how capable, cannot have the same impact as the combined contribution of a Joint Committee of the heads of the armed forces. So it is not enough just to set ourselves a 3% target for defence expenditure, as indeed we must; it is vital also to recognise that our tried and tested machinery for making military strategy has been vitiated and largely dismantled. The Chiefs of Staff must once again be more than budget managers, stuck on the sidelines while politicians and officials call the shots and, as often as not, call the shots incorrectly.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I have given a lot of leeway to the hon. Gentleman who moved the motion, and to the Chairman of the Select Committee, both of whom took a lot of interventions, and that is good for rounded debate. It will be obvious to the House that a great many people wish to speak this afternoon. We have plenty of time, but that time will run out, and it will not be fair to everyone if individual members speak for much more than 10 minutes. So, as an advisory amount, 10 minutes would be just about right. If people speak for much more than that, I will have to impose a time limit, which stunts the debate. It is much better if everybody behaves in an honourable fashion.
that is read much, at least not by those who seem to be making the decisions on the future of our armed forces. I am thinking, in particular, of some of those in the Cabinet Office and the Treasury. Instead, some of them seem to be labouring under the misapprehension that, in the age of information conflict, the need for our armed forces is decreasing. That could not be further from the truth. Mitigating threats to our security is not a zero-sum game.

In recent years and months, the eyes of Westminster and Whitehall have become increasingly focused on Russia’s activity in the UK’s information domain, our critical national information infrastructure and the broader concepts of soft power and security. That is commendable, but it is worth remembering that in 2015 the national security strategy and the strategic defence and security review identified four primary threats to UK national security: the increasing threat posed by terrorism, extremism and instability; the resurgence of state-based threats; the impact of technological change, especially cyber threats; and the erosion of the rules-based international order. Our armed forces are critical in mitigating those threats.

Since then, some members of the Government have repeatedly told us that “the threats identified have intensified” and that “there is a need to strengthen our defences”. Yet the growth in threat has not been matched by a growth in resources. Indeed, the previous Secretary of State told the Defence Committee that the mismatch between intensifying threats and the capabilities available was in fact being exacerbated by “the challenge of inflation, cost growth in some of our more complex programmes and the ambitious efficiency targets.” Yet the ongoing capability review appears to have no intention of addressing that underfunding, because it cannot. Unlike the full SDSR in 2015, it is not taking place at the same time as a spending review, and the budget for the Ministry of Defence has been fixed up until 2021. My first question to the Minister—the Minister whether he can confirm today that neither budget under control. I would therefore like to ask the Minister whether he can confirm today that neither

The real-world importance of those capabilities was demonstrated recently by Operation Ruman, the UK’s military response to Hurricane Irma, and continues to be illustrated by the fact that, at the joint force headquarters in Northwood, two of the highest priorities for NEO—non-combatant evacuation operations—planning are South Korea and Lebanon. As such, we must acknowledge that any decision to reduce this capability would come not as part of a wider strategy for the UK’s role in the world, but as a misguided attempt to get the defence budget under control. I would therefore like to ask the Minister whether he can confirm today that neither Albion nor Bulwark will be scrapped as part of the national security capability review. Can he also confirm that there will be no cuts to the regular manpower of our Royal Marines?

I am similarly concerned about the current threats to my old service, the Army. Since 2010 we have seen numerous initiatives affecting the manpower, equipment, training and structure of the Army. The most recent, Joint Force 2025, was initiated by the 2015 SDSR and is rightly focused not on equipment and platforms, but on output and effect. The planned reforms were intended to deliver armed forces that were more agile and reactive, and to prepare the Army to deal with growing threats from state adversaries. That kind of development and evolution is critical to our national defence, but such modernisation is predicated on harnessing emerging technologies and, as such, requires investment in research and development, capital expenditure on new equipment, and the right number of well trained personnel. All of this was to be underpinned by greater cohesion and co-operation between regulars and reserves and paid for by MOD efficiency savings, but I fear neither is happening and Joint Force 2025 is, as a result, under threat.

I therefore ask the Minister three further questions. First, is the MOD still on track to deliver Joint Force 2025 as planned? Secondly, how is the MOD ensuring that the outcomes of the capability review in relation to defence do not similarly rest on false assumptions and
overly optimistic promises? Thirdly—I say this slightly in jest—should regular reserves like my parliamentary assistant and myself, and I suspect the Minister as well, really be included in the “whole force” figures? Although I say that slightly in jest, it highlights the important point that for our armed forces, in the land environment in particular, capability is not just a question of numbers. Personnel have to be correctly equipped, trained and accustomed to operating in deployable structures. Too often, training is seen as an overhead that can be cut back. That ignores the importance of training in ensuring that our armed forces are ready to respond and in demonstrating capability to allies and adversaries alike. As threats diversify and intensify, our training must adapt and deepen.

**Alex Sobel** (Leeds North West) (Lab/Co-op): My hon. Friend talks eloquently about training, but is it not just as important to consider accommodation for our armed forces? We have seen the pay cap and rising rents, and we now have our forces being written to saying that civilians will be allocated services accommodation. Does my hon. Friend agree that it is essential for maintaining our capability and training programmes that we have good accommodation, in good condition, at the right price?

**Dan Jarvis**: My hon. Friend makes an important point. Because of the time available today, I have not got into discussing the armed forces covenant, but that is crucial for ensuring that we have people who continue to wish to serve our country in the armed forces now and young people who wish to serve in the future. We as a country, a Government and a House of Commons must be able to demonstrate that we are committed to ensuring good circumstances under which they can serve, which includes ensuring they have rewarding professional opportunities. That is why training is so important. We must also ensure that they and their families are properly looked after, and accommodation is a very important part of that.

This debate has come at a crucial time for our armed forces. The UK is now under greater threat than at any time since the cold war, yet I fear that, as well as there being serious questions about how the targeted 2% of GDP is being spent, our Government run the risk of being seen to have no coherent security and defence strategy. Furthermore, the national security capability review risks channelling more funds away from our armed forces in favour of a focus on cyber-security. There seems to be a belief that the emerging cyber and information threats have somehow resulted in the decline of conventional threats; they have not, and they will not. The opening up of new fronts does not mean the closing down of old ones, and the unprecedented hollowing out of our armed forces must end.

1.14 pm

**James Gray** (North Wiltshire) (Con): Rarely in debates in this Chamber can the fourth speaker have been faced with such a major challenge as mine in following three such well informed, all-encompassing, brilliant speeches as those of the hon. Member for Gedling (Vernon Coaker), my right hon. Friend the Member for New Forest East (Dr Lewis) and now the hon. Member for Barnsley Central (Dan Jarvis), who knows what he is talking about. It is quite a challenge to think of something new to say after those three outstanding speeches. I agree with all of them, and I agree very strongly with the motion. However, I believe I can genuinely say that for 25 years, Madam Deputy Speaker, so you will be aware that it would none the less be entirely uncharacteristic of me simply to say “I agree,” and then sit down; that would not be in keeping at all.

I welcome the fact that the hon. Member for Gedling has secured the debate, but I regret the fact that it had to be called under the rules of the Backbench Business Committee. When I—and many of us in this Chamber—first arrived here, we had five such debates a year: one each for the RAF, the Army and the Royal Navy and then two further debates on spending matters. That was changed after the 1998 SDSR into five set-piece, major, full-scale debates in Government time on a variety of subjects: defence policy, defence of the UK, defence of the world, and one on personnel and one on procurement. They were serious debates opened by the Secretary of State, with a packed House and vast numbers of people watching; they were an important part of the body politic’s discussions on defence.

That system has now been replaced, however, and in fact for two or three years there were no debates on defence at all under the Backbench Business Committee. There are now one or two debates a year if we are lucky, secured by a Back Bencher choosing to do so. That is wrong; the Government should return to the way we were when the Backbench Business Committee was invented and say to it that we expect to have at least five substantive defence debates during the course of the year. It must find time in its programme for that. Allocating such debates to compete with such important matters as live animals in circuses is wrong and downplays the importance of the defence of the nation.

That situation might none the less be symptomatic of something that concerns me, and to which one or two Members have alluded: we as a nation are downplaying defence and the threat to us. There is a degree of war-weariness after Iraq and Afghanistan and so forth, and people would like our troops to come home and there to be no more wars anywhere in the world. But that will not happen, of course, because the world is an extraordinarily dangerous place.

We in this House are guilty of a degree of complacency over the threats to the nation, and that is then spread around the nation, and our voters do not realise what a dangerous place we live in. If we conducted a survey and asked voters on their doorsteps whether we should spend money on defence or health or education, defence would, sadly, come fairly low down their list of priorities. We in this place need to change that by having serious debates on the subject and highlighting the huge threats facing us today.

I will not repeat what others have said about the threats from an expansionist Russia, North Korea, events in the South China sea, and terrorism throughout the middle east, but those threats have not gone away and are worse now than they were before. I personally am extremely concerned about Russian ambitions in the high north and the Arctic and north Atlantic, and I am grateful that the hon. Member for Bridgend (Mrs Moon) has taken up the cudgels of the Defence Sub-Committee, looking into what the Russians are planning to do in the high north. At the moment, however, NATO is, to some
degree at least, ignoring that, and it is right that we should remind people that the Russians have just spent billions of pounds on building eight new military stations along the Arctic coast, that they have very substantially increased submarine activity in the north Atlantic, and that they are threatening our lines of supply to the United States of America—and all of this is happening under our noses and we are not doing anything about it. It is right that we in this place should remind our colleagues and the nation that these very real threats are happening on our doorstep.

Part of the reason for that failure to address these real threats comes from what might sound like a rather technical, machinery of government matter, and which my right hon. Friend the Member for New Forest East touched on. The last truly proper defence review was in 1998, and I pay tribute to the then Defence Ministers, one of whom, the right hon. Member for Warley (John Spellar), is sitting on the Opposition back row. It was a first-class defence review: it was foreign policy led; it was the MOD sitting down and saying, “Given that these are the foreign policy threats to our nation, here’s what we in the MOD must now do to protect the country from them.” Since then, as my right hon. Friend the Member for New Forest East said, the whole process has become ever more muddled, obscured and complicated. Nobody now quite understands who decides what the threats to this nation are, nobody quite knows who decides what we must do about them, and nobody quite knows where we are going to get the money to do that.

For example, the SDSR used to happen at the same time as the national spending review, and that was extremely important. As the hon. Member for Barnsley Central said, what is the point of having a defence review if we know that, no matter what it concludes, there will be no money to change things? Let us imagine that such a review concluded that there was a vast cyber-threat or Russian threat against us and decided that we must significantly increase our Army, Navy or Air Force. The Treasury would turn round and say, “Well, we’re very glad you have had that review and we’re very interested to read it. You have made some important points and we will be reviewing the Ministry of Defence budget two years from now. So, no matter what you have said in your review, we can do nothing about it.” It seems extremely odd to be mixing the strategic defence review with the security review.

Sir Mark Sedwill, a very distinguished fellow who does an awful lot of good stuff, has said that we need to spend more money on cyber, and he is right, but every single penny that we spend on cyber comes out of other budgets. If we were to double our cyber budget, which might well be a very good thing to do, it might have to be paid for by cuts in the amphibious capability that the hon. Member for Barnsley Central mentioned. If it is any comfort to the hon. Gentleman, I can tell him that if any such cuts were to take place—if HMS Bulwark were to go, for example, or if 1,000 people were to be cut from the Royal Marines—he can be certain that I and many others on the side of the House would not support any Government who proposed to do that. I want to make it plain that we would not go along with any such proposals from the Government. I think that many of my friends in the Ministry of Defence would agree with that and are fighting that battle very firmly at the moment.

It would seem perfectly logical and sensible, when carrying out a review, to start with the Foreign Office assessing the risk. The Cabinet Office should follow that by determining how much of that risk is to do with us—with policing or with cyber, for example. Those conclusions should then go to the Ministry of Defence, which would identify the threats to the nation and decide what to do about them. Subsequently, the Treasury should say, “Fine, that is what you want to do about the threat. Here is how we are going to find the money for it.” But to have a national security review mixed in with a strategic defence review, and happening at a time that is not contingent with the national spending review, seems to be absolutely pointless and, indeed, substantially misleading. We are misleading ourselves that somehow we are looking into these things properly. I would like to see the defence part of the review separated out. It ought to be happening in the autumn of this year, at the same time as the Budget, in case we need more money to do what the Foreign Office says we ought to be doing.

That is all I want to add to what others have said. We are facing incredibly dangerous and worrying times, and this nation is under threat. There are very real threats to our people’s security and safety. If we in this place do not address that fact strategically, and if we do not find a way of increasing our defence spending towards the 3% that many of us in the Chamber want, I fear that we will not be doing our duty. We will not be doing what our people send us here to do, and we will not be putting in place the correct way to defend our nation.

1.23 pm

Mrs Madeleine Moon (Bridgend) (Lab): When it comes to defence, we have to accept that without the right personnel with the right expertise and in enough numbers, the military cannot function. All the most sophisticated technology imaginable is useless if we do not have the skilled individuals to operate it. The planes cannot fly, the ships cannot sail and the vehicles cannot move without the people with the expertise. In essence, without people there is no military capability, and yet it is the people that we keep cutting.

Following the strategic defence and security review in 2010, there was a restructuring of the Army through a plan dubbed Army 2020, along with Future Reserves 2020 for the Army Reserve. The plan was refined in 2015. It proposed to reduce the number of Regular Army, or full-time, personnel from 102,000 to 82,000 and to increase the rebranded and re-enrolled reserve forces, or part-time personnel, from around 15,000 to 35,000 to make up the shortfall. On paper, that looks great. In April 2017, the Regular Army numbered 83,560 personnel and the Army Reserve 29,940. However, we need to dig deeper.

Reserve soldiers work hard as reservists, but many also have full-time jobs. They are required to complete a minimum commitment of days and training with the Army Reserve each year to be fully up to date and able to deploy in support of the regular Army. The completion of this training is not mandatory, but those who do not
complete it are not considered qualified to fulfil their function during that given training year. Those soldiers who complete the training are awarded a tax-free bounty or bonus. This bonus shows how many reservists each year are ready and able to deploy quickly to support the Regular Army.

Over the last few years the number of Army Reserve soldiers has increased dramatically, from 21,030 in April 2015 to 29,940 in April 2017. That is an increase of 42% in the space of a few years. Those figures have been obtained from the Ministry of Defence through parliamentary questions. Given such an impressive increase, one would expect to see a proportional increase in those achieving the annual bounty as more and more reserve soldiers achieve their annual training targets. In April 2015, 14,270 achieved their bounty. That was 67.85% of the total Army Reserve. However, in April 2017, 14,930 got their bounty, representing just short of 50% of the total. That represents a 17.98% fall in the proportion of the Army reservists achieving their annual training targets.

The bounty is broken down into five levels. Each year that a soldier achieves a bounty, the next level is paid until they get to year five. Of the bounties awarded in 2017, 1,980 were for year 1; 1,470 were for year 2; years 3 and 4 were grouped at 1,310; and the figure for year 5 was 10,160. That is not a weighting one might expect, given the increased numbers of recruits. The numbers imply that the number of reserve personnel able to complete the training required of them in order to be considered fully up to date and able to support their regular colleagues has been pretty stable but not growing. Despite the 42% growth, the number of reserve soldiers able to fulfil the minimum commitment set out by the Government is still at the same level. The growth in the Army Reserve is a paper growth, not a real growth.

The Government's expectation is that people will be able to marry up having a full-time job with the capability to operate at the same level as a full-time member of our armed forces. That assumption is being made as a result of a cost-saving decision to cut the Regular Army, and it is simply unrealistic. We now have a Regular Army of about 78,000 and an effective reserve strength of roughly 15,000, with both barely able to fulfil their required duties, especially as the Regular Army was previously more than 100,000 strong.

There is a further problem with the Government's approach. We are reliant on experts to operate in a sensible and effective manner equipment that is often at the cutting edge of technology. Those skills cannot be replaced overnight. The Government's solution was to cut those experts from the Regular Army and attempt to re-recruit them as reservists with a £10,000 incentive scheme.

As of 1 October 2017, 4,350 ex-Regiment Reserve soldiers had been recruited using the bonus incentive scheme since its inception in 2013. The £10,000 bonus is broken down into four instalments, called key milestones, that are paid out over four years provided that the soldier has completed a number of days of training and tests. Considering that it equates to almost a quarter of those cut from the Regular Army in a similar period, 4,350 is a good number. However, of those who have entered the scheme, 3,320 made it to key milestone 1, 2,370 made it to key milestone 2, only 1,280 made it to key milestone 3, and just 480 reached key milestone 4—a drop-out rate of 88.97%. Therefore, despite the offer of a £10,000 bonus, these ex-regular soldiers are also unable to meet the requirements of a full-time job while being a fully trained reservist that is capable of deployment. We risk having an undermanned regular force that lacks the skills and knowledge that come from the experienced soldiers that we made redundant, and an overworked reserve force that is doing its best to make up the shortfall while its people also try to get on with a civilian career. Once again, the apparent cost saving is elusive.

Returning once again to the ex-regulars in the reserve forces, each ex-regular at the rank of private is on a basic rate of £50 a day. Many earn much more than that, but let us just go with the basic. The total amount spent since the inception of the scheme on just wages and bonus payments is roughly a minimum of £26.3 million. For that £26.3 million, we get an 88.97% drop-out rate and only 480 reserve soldiers. That is before any consideration of the cost of restructuring both the Regular Army and the Army Reserve. We are cutting full-time capable soldiers and replacing them with people of whom we expect too much.

The Government have created a personnel problem in our armed forces that threatens to spiral out of control. We all acknowledge that the men and women in our armed forces, whether regulars or reserves, are dedicated professionals who are asked to do a difficult and demanding job, but their numbers have been cut to dangerously low levels and we are losing vital expertise. To make up the shortfall, we have put in place increased, unrealistic and unfair burdens on the reserve forces, which are also made up of honest, hard-working people, in the name of a cost saving that appears to be nothing at all.

John Spellar: The immensely frustrating factor in all this is that the Ministry of Defence and the services seem to be replicating exactly the same mistakes that were made in the “Options for Change” White Paper at the end of the cold war. They are pushing regulars out and creating an atmosphere in which people think that the forces are not recruiting, and they are damaging morale. Then, during the Christmas period, they spend however much they did on blitzing the airwaves to try to attract people in an atmosphere in which people are seeing those who have been forced out of our services.

Mrs Moon: My right hon. Friend makes an important point. Some statistics released today show that 71% of businesses in the service sector are finding it difficult to recruit from the skilled workforce, and the figure for manufacturing is 76%. We are operating in a climate where skilled people are at a premium. The armed forces had skilled people, but they sacked them and, rightly enough, the business community has grabbed them. We then tried to bring them back into the armed forces by offering them a bonus, but that has not worked. We have managed to keep only 480 of them. It is shocking, irresponsible and downright dangerous. This is an unpredictable world, and we cannot afford to play games. We are not showing our friends and allies our willingness and ability to support them and to support our own interests around the globe if we are not retaining and training our full-time personnel.
Mr Mark Francois (Rayleigh and Wickford) (Con): It is a pleasure to follow the hon. Member for Bridgend (Mrs Moon), who always speaks knowledgeably on defence matters, and I congratulate the hon. Member for Gedling (Vernon Coaker) on securing this important debate and, if I may say so, on introducing it so ably this afternoon. I want to focus on the national security capabilities review—the NSCR—and, in particular, its potential effect on the greatest asset we possess in defence: our people. There is already considerable anxiety in the armed forces about where the review may lead, and it is important to understand the serious damage that could be done to defence if those fears are not addressed.

Unfortunately, we are starting from a position in which the armed forces are already being subjected to a hollowing out. In May 2017, the total strength of the regular armed forces was 138,350, which is some 5% below their establishment strength, as the hon. Member for Gedling intimated—although shortages are far worse in highly specialised pinch-point trades, such as qualified engineers. In the year to April 2017, 12,950 people joined the UK regular armed forces, but 14,970 left over the same period—a net deficit of over 2,000 personnel. At present, trained and experienced personnel are leaving the armed forces faster than the recruiting organisations, which are already running to stand still, as it were, are able to make up for those who are departing. In particular, the Regular Army is currently around 30% below its annual recruitment target, managing only around 7,000 new recruits of the 10,000 required last year.

Moreover, as is borne out in the most recent armed forces continuous attitude survey—AFCAS—published in May 2017, there are also issues of morale, which is not as high across the armed forces as we would like it to be. Pressure of service life on families is still given as the greatest reason for leaving. As people leave, that only increases pressure on those who remain. There has also been a particular drop-off of morale reported in the Royal Marines. That is disappointing, but it may well be linked to some of the speculation about the future of our amphibious shipping and potential reductions in the size of the Royal Marines as a whole. I hope that that speculation does not become a reality.

If we are honest, we are dealing with a somewhat fragile situation, even before the outcome of the NSCR is known. There is clearly much staff work being undertaken, both within the Ministry of Defence and the Cabinet Office, in relation to this review, but I was particularly alarmed when one national newspaper, The Sun, reported some weeks ago that the Treasury was arguing at one stage for a reduction in the size of the Regular Army from its established strength of 82,500 down to as low as 50,000. If carried to fruition, that ludicrous proposal would involve making redundant well over a third of the serving Regular Army and would constitute perhaps the greatest blow the British Army has ever suffered in peacetime.

At a time when we face a resurgent Russia, which has carried out the annexation of Crimea, still has further territorial ambitions in Ukraine and is placing pressure on the Baltic states, reducing the Army would send entirely the wrong signals to the Russians about our commitments to NATO and our willingness to uphold the territorial integrity of our allies. It would be sheer folly. I only hope that the pin-striped warriors in the Treasury, who live in daily fear that their air-conditioning might malfunction or that the tea-trolley might be late, have since abandoned such a daft suggestion as there is no way that I and, as my hon. Friend the Member for North Wiltshire (James Gray) intimated, many of my colleagues on the Government Benches could possibly support a reduction of that magnitude in regular manpower. It is simply unthinkable.

Following on from the 2010 strategic defence and security review, I was the Minister responsible for implementing tranches 3 and 4 of the Army redundancy programme. It was an extremely difficult process that had a detrimental effect on morale and retention, as well as on recruitment. I very much hope that we will not have to announce any further rounds of redundancy in the Army, because that would threaten to make the situation I described earlier even worse.

Many service personnel are watching this review very closely, and if it is seen to lead to a further reduction in our conventional capabilities or in the strength of our armed forces, many will react by simply voting with their feet and opting to leave what they might perceive to be a constantly shrinking enterprise. To be clear, I am not suggesting there would be a sudden rush for the exits, but, more likely, there would be a steady increase in the drumbeat of people requesting to leave, above and beyond the ability of the recruiting organisation to replace them. In short, more and more people would go and the hollowing out would become worse and, in some particularly sensitive areas of which the Minister will be well aware, critical.

Senior Ministers who will take the final decisions on the NSCR need to understand the stark reality of our admirable personnel and what may ultimately influence them to stick or twist and change their career. Those personnel do not want sympathy, but they want and deserve our respect. They deserve our empathy, too.

Ultimately, as the hon. Member for Bridgend intimated, we can buy as much shiny new kit as we like, but it is of no use to us, and will not provide the deterrent effect we would wish, unless we have people available and sufficiently trained to operate it in a hostile environment. Too often in defence, we talk about capability in terms of equipment, whether it be new Ajax fighting vehicles for the Army, Type 45 destroyers for the Navy, or F-35s for the Fleet Air Arm and Royal Air Force. However, without the required blend of man and machine, or increasingly woman and machine, we have no capability at all. We forget that at our peril.

The truth is that over the past few decades, under Governments of both colours, our service personnel and, indeed, the country have witnessed a continuing retrenchment in our capabilities and in the numbers serving in uniform. Together with our nuclear deterrent, as the Chair of the Select Committee said, our service personnel are our national insurance policy—they are the defenders of our freedom and of our way of life—and we are now at real risk of skimping on the premium.

As a former Defence Minister, I can only offer the House my earnest and heartfelt advice that we must not take our armed forces personnel and their families for granted. Our history as a nation shows that when we failed to keep up the insurance policy, as we did when we allowed our armed forces to seriously degrade in the early to mid-1930s, the ultimate result, a world war in which some 50 million people died, was utterly catastrophic.
We in this House, who were sent here by our citizens and whose responsibility it is to protect them, are the guardians of that national insurance policy. On that basis, we have to say to our Government that the time for cuts is over. It is time for our cover to be increased.

1.43 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is a pleasure to follow the right hon. Member for Rayleigh and Wickford (Mr Francois) and my other Defence Committee colleagues. I commend the hon. Member for Gedling (Vernon Coaker) for tabling the motion. As a member of a defence family whose nephew joined the Royal Engineers on 2 January, we are very much aware of his defence of the members of the armed forces.

Those of us who take an interest in these things know that, of late, this Government’s running of the Ministry of Defence has focused more on slick sloganeering than on the huge issues facing the Department, so it is no surprise that recent media coverage has tended to focus on the relative success of the propaganda coming from Main Building. Take, for example, the Year of the Navy campaign, which probably could not have gone worse. I am sure the Air Chief Marshal and the Chief of the General Staff wake up at night in a cold sweat after nightmares that 2018 is to be the Year of the RAF or the Year of the Army.

Following a slightly botched Army recruiting campaign, this week saw the MOD refuse one of the campaign’s stars permission to speak to Sky’s Alistair Bunkall, which comes just after the Defence Secretary was forced to reconsider a decision to ditch the Army’s “Be the Best” slogan.

As the Conservative and Unionist party struggles with its messaging, I thought I would go back to another time when it was divided on Europe and tanking in the polls to find a slogan that best sums up what I will talk about today: “Back to Basics.” As the Government bang on about their vision of a global Britain and the Foreign Secretary comes out with absurd assertions about HMS Queen Elizabeth being deployed to the South China sea, they continue to neglect the most basic of defence tasks at home, namely the defence of the homeland and the north Atlantic, on which I will concentrate.

Last year, I was delighted to attend the launch of the Royal United Services Institute Whitehall paper on revitalising our collective defence in the north Atlantic area, edited by John Andreas Olsen, the Norwegian defence attaché here in London. The launch was facilitated by the hon. Member for North Wiltshire (James Gray), the chair of the all-party parliamentary group on the polar regions. Mr Olsen contributed to the booklet by pointing out that, for most of recorded history, the cold, grey waters of the north Atlantic were seen by most, even on these islands, as the very edge of civilisation. That fact changed rapidly, to the extent that the north Atlantic was the crucial link between North America and Europe during the two world wars and in the planning processes during the cold war.

Of course, the north Atlantic gives its name to an alliance that I would hope all of us in this House agree, although some in senior positions do not, is the bedrock of our defence and security. During the first period of NATO’s existence, protecting the sea lines of communication between the United States, Canada and Europe was a core task. It was during that time that the UK developed a world-leading anti-submarine warfare capability, as the skills honed hunting U-boats during the second world war were allied with American technology to ensure that NATO held the operational advantage. At a time when many believe Russian submarine incursions into our waters are again at the level of those during the cold war, if not exceeding them, we must consider whether the balance of power is still the same. I am afraid that, for me and my hon. Friends, it is not.

We know that the Royal Navy’s escort fleet is at a historic low of just 17 usable frigates and destroyers. We know that over Christmas, for the first time in living memory, none of them was deployed outside UK waters. We also know that the UK’s most northerly surface warship base is on its southern coast, meaning a journey of more than 24 hours to reach the place from which most of the threat is coming due to the reimposed Russian “bastion” policy.

If we listened to the Government, we would think all is well for the defence of the realm. They say there is record investment in the procurement budget and an increasing defence budget, so I was glad that, in our report on procurement last month, my colleagues on the Defence Committee endorsed the National Audit Office’s assertion that the affordability of the equipment plan “is now at greater risk than at any time since reporting was introduced in 2012.”

The beginning of our report looked at the Committee’s previous reports on procurement and it was remarkable to see how little this Government have learned from previous mistakes—we all know that those who do not learn from history are doomed to repeat it.

The defence cuts made by the Conservative and Unionist Government in 2010, whether it be the decision to reduce the escort fleet to its current woefully low number or the decision literally to chop up the UK’s maritime patrol capability, were meant to be the last we would see for the foreseeable future, and the MOD vowed to develop an affordable equipment plan.

Plus ça change, plus c’est la même chose; forgive my French pronunciation. The deficit that led to the 2010 cuts was £38 billion and the upper limits of the estimates of the current deficit are around £30 billion, meaning that hard decisions will have to be taken.

For example, can we be certain that the purchase of F-35s will be balanced sensitively against the rest of the defence budget, especially now that they are more expensive with the depreciation of the value of sterling? One other worry for those, such as myself, who value the defence of the high north is that the vital and much-missed maritime patrol capability will either be delayed or decreased in scope from the current planned purchase of the Boeing Poseidon P-8s.

Douglas Ross (Moray) (Con): Will the hon. Gentleman give way?

Martin Docherty-Hughes: Not at the moment, because I need to make progress, as other Members want to get in.
Last month, it was no surprise when I received a reply to a parliamentary question which revealed that on no fewer than 17 occasions last year maritime patrol aircraft from allied nations undertook missions from RAF Lossiemouth in Moray. That is an unacceptable situation, made worse by the fact that by the most generous estimates it will now take until 2024 before this capability is returned. This return to a triangle of north Atlantic patrolling from Scotland, Iceland and Norway will hopefully be accompanied by a reinstatement of NATO’s Atlantic Command. I am glad to say that my party has made it clear from the start that Scotland is an obvious choice to host SACLANT—Supreme Allied Commander Atlantic. I can only hope that Scottish Conservative Members will use the renowned leverage they have with the Government, demonstrated so clearly this week, to press the MOD on this.

We must only hope that this return to that posture can also be accompanied by a continuing commitment to one of our oldest allies, the Kingdom of Norway, as represented by the ability to deploy Royal Marines across the North sea provided by HMS Albion and HMS Bulwark. Scraping these ships was, of course, a sadly much-anticipated consequence of the security and capability review we were waiting for this year, but which has been delayed yet again by a Government who seem quite unable to take hard decisions. Unfortunately, the hopes for an improvement in not only Scotland’s security, but that of this entire political state hinge very much upon that review and the extent of the “adjustments”—I believe that to be the favourite euphemism—contained within it. I am not holding my breath for good news.

As I did earlier, I fully endorse the findings of my Committee’s report, when it said that the MOD “faces the risk that in future it may have to return to a situation where affordability of the portfolio is maintained by delaying or reducing the scope of projects.”

Anyone who has read the NAO report on the equipment plan knows that, with the procurement budget about to enter a period of unprecedented budget bandwidth challenges, at least until 2023, delays to decision making such as this do no one any favours. It is an incredible situation, one I can explain only by repeating the words of General Sir Richard Barrons, which have already been used in the Chamber. When he gave evidence to the Defence Committee in November, he said:

“The reason we are having a review only two years after the 2015 defence review is that at no time in that review has the amount of resources provided to defence matched the programme.”

This situation will only be exacerbated by Brexit and the various economic consequences it has presented us with. The fact that the only part of the defence budget to be protected from the cuts is the one for the deterrent is something that my party has a long-standing disagreement with. I am sure we do not need to go into that again today, especially as, I am glad to say, we are beginning to break the omerta around questioning it among Government Members.

Let me bring my remarks to a close by pleading with this Government to back their old-fashioned “back to basics” on defence by lifting the public sector pay cap for armed forces personnel, which is giving them a real-terms wage cut this year, and focusing on the essential task of defending not only Scotland, but this entire political state and, crucially, the north Atlantic. It will come as no surprise that I would ask them to take Trident out of the defence budget and to focus on the conventional capability within that budget, which we so desperately need. It will also come as no surprise that I hope that the security of Scotland, which has suffered from decades of under-investment in its security, and that of our allies, will be improved by independence. It is this Government’s challenge to prove us wrong.

Mr Bob Seely (Isle of Wight) (Con): By way of disclosure, I should say that I had the privilege to serve, in a modest way, in the Afghan and Iraq campaigns, and I remain a reservist soldier. I thank the hon. Member for Gedling (Vernon Coaker) very much for securing this debate, and it is a pleasure to follow the hon. Member for West Dunbartonshire (Martin Docherty-Hughes).

In this brief speech, I would like to talk about defence in the broader sense of the word, because the security of our nation rests on many things, not just on how many tanks or ships we have. At times, we can be fixated by so-called heavy metal warfare: ships, planes, tanks and so on. Physical defence is important, but it should not be seen in isolation, and today I would like to talk about security and defence in the round. Having said that, it is clear that we are significantly under-resourced and underfunded. What concerns me most in terms of Government Departments is that the Treasury seems to fail to understand that the point of having an armed force is not to use it. The Treasury seems to think that if an armed force is not being used, it can be cut—that is an incredibly foolish thing to think. It encourages our generals to look for wars to justify the existence of the armed forces, and starting wars and being politically or economically unwilling to finish them—there is some truth there as regards Iraq—is at best bad strategy and potentially disastrous for this nation.

I wish to talk about strategy and whether we have one, and about how we can improve coherence in policy making. I also want to make a few suggestions for parliamentary committees, building on some of the excellent things said by my colleagues on both sides of the House. First, on strategy, it is ironic that we have so many think-tanks in this country but we seem to lack one sometimes in our national strategy. I fear we are losing the capacity and confidence to act without clinging on to the coat-tails of the European Union or United States. Indeed, the US, despite its many great benefits as an ally, has in some ways exacerbated that problem. The great Oxford historian Sir Hew Strachan argues: “a power which possesses overwhelming force has less need of strategy” because it has so much power. That has resulted in thoughtlessness, definitely in Iraq and perhaps to a lesser extent in Afghanistan. We have been somewhat corrupted by that thought as well, because our strategy in the past 20 years seems to have been to cobble together just enough kit to take part at a meaningful level in a US-led coalition, so that we can have a political voice at the top table.

That strategy is now under pressure. First, the US has been disengaging—regardless of what one thinks of President Trump—slowly from Europe for the past
three presidencies and the Russians are now a threat, with what they call "contemporary military conflict", using both military and non-military tools.

Mrs Moon: One thing has been worrying me a great deal. A number of people have cited Russia as a growing threat, but it would be dangerous to ignore the threat from the south, which still exists. Is it therefore not time we stopped focusing simply on the threat from the east and recognised the threat from the south, which has not gone away?

Mr Seely: The hon. Lady makes a good point. I talk about the threat from the east because I would like to bring this in a bit later and I am trying to finish a thesis on contemporary Russian warfare. But she is right that in many ways the non-conventional warfare threat—migration and chaos—is represented in our southern flank. She makes a valid point and I thank her for it.

Post-Brexit, it is critical for our nation that we have a powerful security and defence policy, one that not only projects our identity—our values and our brand, if you like—but provides balanced and comprehensive security. Part of that is about remaining a powerful player on the world stage across the spectrum of effects. We are trying to be more holistic, and the Development, Concepts and Doctrine Centre in Shrivenham, with which I have done a little work over the years, has done some important work looking at national strategy in many of the joint doctrine publication documents it has written. According to the DCDC, our national strategy rests on political, military and economic power, but I wonder whether that is not quite subtle enough for today’s world. In defence, we need to be thinking about humanitarian power, governmental power, cyber capability, cultural, linguistic and informational capability and public outreach.

All those tools are critical because the wars and conflicts of the past 30 years, including those we have been engaged in, show that populations have become the critical information and psychological targets. If we look at the three Russian military doctrines since 1999, their two foreign policy concepts, their national security concept and their information security concept, we see that they all put the integration of military and non-military effects aimed at civilian populations as a critical characteristic of modern warfare. Indeed, we see that in Ukraine, eastern Europe and elsewhere.

Historically, the tools of grand strategy have been held at national level. Military force is one element of that defensive strategy. Nowadays, especially with Brexit happening, we have an opportunity to rethink our national strategic culture so that we can understand how we can use our past experience of strategic culture to understand the future. Basil Liddell Hart, who was perhaps our greatest military theorist ever—I am sure that some of my right hon. and hon. Friends will know him well—said that we were champions of the indirect strategy. We had a powerful Navy and a small standing Army, and we used money to encourage others to fight.

We used our alliances and set examples by our behaviour. We probably need to return more to that behaviour.

Let us consider the example of the Russian threat in Ukraine. We have parked some soldiers, some kit and around four planes—which is probably half the RAF these days—in the Baltic republics. Russia has used force in Ukraine and is bellicose towards the Baltic republics, so it is right that we put that kit there, but the most powerful threat to Ukraine is not necessarily the military threat, but the political and informational war, the co-option and corruption of its political leadership, and the shaming of its ability, confidence and statehood.

Our key weapon is not the planes or the troops—important though they are—but our ability to work with the Canadians, Americans, Germans and EU to provide a Marshall package and significant sums of money to Ukraine. We spend £13 billion on aid every year, and I apologise for saying this but much of it is badly spent. Here, though, is a major prize that we are not trying to attain. We spend probably £40 million in Ukraine, all in, including Department for International Development spending. We irritate the Russians by parking military kit in the Baltics, yet we do not seem to be thinking enough about the most powerful weapon we could have against Russian expansion, which is a stable Ukraine that looks like Poland, not like Russia. That is an example of haphazard strategic thinking.

We have an unbalanced foreign policy. DFID burns though money like it is going out of fashion. I had lots of pretty miserable experiences of DFID in Afghanistan and Iraq. I remember asking at the UK consulate in Basra how many DFID projects there were in southern Iraq and how much money was being spent. I was staggered that DFID could not provide an answer. For me, that summed up how DFID is sometimes profligate and lacks competence. I know that it does great work in some parts of the world, but sadly I have not seen the best of it.

At the same time, the Foreign and Commonwealth Office is chronically underfunded and, as my right hon. Friend the Member for New Forest East (Dr Lewis) said, the Ministry of Defence is scrapping together savings in areas in which it should not be looking to make savings. Cyber-attacks are regular in Europe—in France, Germany and the United Kingdom—and the BBC, which is a critical part of our soft-power infrastructure, even at arm’s length from the Government, is funded such that it has to exist hand-to-mouth. BBC World Service TV and radio broadcasts should be funded entirely by DFID, by looking into and rejigging the definition of official development assistance.

I shall try to make progress; I do not have too much more to say. We must look closely at defence procurement. Can we please have a level playing field? Let us buy kit from other countries to save money, but some countries, such as France, have closed markets, so why are French companies allowed to bid here when we do not have the same rights to secure contracts there?

I will seek a meeting with the Minister in the near future to discuss the need for a complex radar technology demonstrator at the BAE site in Cowes in my constituency. As the Minister knows, the BAE radar factory in Cowes produces all the radars for the carriers and the Type 45 destroyers. If we want our own indigenous radar capability, we need that technology demonstrator soon.

We should use reservists more. I am delighted that the hon. Member for Bridgend (Mrs Moon) made a series of eloquent points about reservists—I am one myself. We need reservists, but let us also support them. The reserve unit on the Isle of Wight was saved not through the MOD’s wisdom but thanks to the remarkable work of Captain Richard Clarke and the continuing leadership of Acting Sergeant Matt Symmans, for whom I feel a
certain affinity as I was an acting sergeant for much of my Army career. It is individuals punching above their weight who are saving units from closure.

As my right hon. Friend the Member for New Forest East and my hon. Friend the Member for North Wiltshire (James Gray) said, there is no redundancy in our defence system. There are so few surface ships—I think there are 17. Talk to any admiral—give them a drink or two—and they will admit that the Royal Navy at its current size cannot protect the carriers. In any conflict or at the threat of conflict with peer or near-peer nations, those carriers would go home and sit in a base because they are not protectable, unless they are to be surrounded by a US fleet. They have no protection against ship-busting ballistic missiles. If we keep reducing the armed forces in terms of personnel and kit, we will encourage violence against this nation rather than deter it.

I have some brief suggestions. Can the Foreign Affairs Committee champion the need to think about strategy and hold hearings to give platforms to leading academics so that they can discuss our national strategy and defence culture? With Brexit coming up, this is a perfect point in our history to look into our national strategy. If we leave the security review to the Government, they are going to come up with the answers that they want, not the answers that we all need and want to hear. We need to rethink DFID funding and encourage DFID to take greater responsibility in a more holistic and joined-up strategy. We need to think about defence in the round.

We need all forms of power for our security and the protection and projection of our values. We need soft power, hard power and cyber power, but most of all we need an attitude of smart and integrated power. We need to study and understand how to project that smart power at a strategic, operational and tactical level. From what I have seen on operations and here at home, we still lack that, but it is not unachievable, if the Government have the ambition.

2.6 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I rise as my party’s defence spokesman. It is important that I remind the House that my daughter is a serving officer in the armed forces. I share the trepidation of the hon. Member for North Wiltshire (James Gray) at having to speak after so many highly informed contributions.

I wish to use my constituency as the basis of my first point. It is no stranger to the armed forces: very near to where I live we have the RAF Tain weapons range; Cape Wrath is used every year for the Joint Warrior exercise; and the area has a long and close association with the armed forces, going back to the Lovat Scouts and the Seaforth Highlanders, through to the Royal Regiment of Scotland today. Traditionally, the Territorial Army has recruited extremely well in Wick, in the north of my constituency. The support for Army and RAF cadets is also very strong throughout my constituency. I applaud them and put on record my recognition of what they do and their contribution to the social cohesion of the area.

I am a great believer in the British public’s common sense. I know from having knocked on many doors that if we talk to people about the armed forces and say, “We have to defend ourselves,” they say, “That is exactly right.” I hope that the Government will decide to spend more on our armed forces, and I think they can take the British public with them, because ultimately the public recognise the need and the responsibility to do it.

For the enlightenment of the House, I should say in passing that I served in the Territorial Army myself. However, I cannot compete with the august rank and record of the hon. Members for Isle of Wight (Mr Seely), for North Wiltshire (James Gray) and for Barnsley Central (Dan Jarvis), or, indeed, the Minister. Nevertheless, if I had to present arms and my ancient frame would allow it, I could still do so.

My second point is based on my knowledge, through my own family, of what the situation was in Northern Ireland—I am sure that the hon. Member for Strangford (Jim Shannon) will touch on this. In their time, both my brothers-in-law served in the Ulster Defence Regiment. Over a long and happy marriage, I saw the situation in Northern Ireland change from the troubles and murder—my wife comes from County Armagh, and I know about all this—to what we see today, and may God be thanked for that. The UDR, the armed forces, our intelligence services and the Special Air Service played the supreme role in defeating the terrorists on both sides of the divide. We should not forget that, but the point is this: God forbid we should ever again have a situation, either in the UK or close to our borders, in which we have to mobilise that sort of force, because I doubt we could do it. Other Members have hinted at that already. If we had to, some ask, could we refight the Falklands campaign? No, we could not. Enough said on that.

The point has been made, particularly by the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), that our Navy is critically small right now. That was why, on Monday, I questioned the Minister about why so many of our ships were apparently tied up over Christmas and not available for service overseas. I share absolutely in what the hon. Member for North Wiltshire says about what he calls the high north. The hon. Member for West Dunbartonshire said that it was on our doorstep—as a matter of fact, representing Caithness and Sutherland, I can say that it is on my doorstep, if he does not mind me saying so. It is absolutely correct, as the hon. Member for North Wiltshire says, that the Russians are establishing their bases there. I am not advocating our going back to Scapa Flow, but we will have to think very carefully about the strategic positioning of our forces.

Cyber-security has already been touched on today. All I have to say is that there was a story in The Times today—perhaps it is a scare story—which said that our cyber-security could be breached to the extent that we could almost be fooled into launching a nuclear strike. Whether fact or fiction, that shows just how incredibly important cyber-security is.

Mr Ellwood: I feel obliged to intervene as a matter of national security to assure the House and the hon. Gentleman that robust measures are in place to ensure that the event that he has just talked about does not happen.

[Mr Seely]
Jamie Stone: I thank the Minister for that very good reassurance. However, that does show an example of some of the more irresponsible reporting.

Mr Seely: Specifically, the Chatham House report, to which the hon. Gentleman rightly refers, spoke about not our own missiles—I am quite concerned about the Russian stuff—but the US Minuteman being susceptible to cyber-attacks.

Jamie Stone: That is absolutely correct.

My final point is that the importance of the armed forces’ confidence in our politicians cannot be overestimated. When that is eroded and they feel that we are not acting in their best interests, or indeed that we do not understand what they do, it is incredibly corrosive. That, in turn, will affect their capability to defend this country if, God forbid, that time ever comes.

The point has been made about the pay gap. I have to be careful when I speak about that given the interest that I declared at the start of my remarks. There are also issues related to housing and recognition of what the armed forces do.

On behalf of my party, I applaud the tone of this debate. It is my great honour to associate my party with that tone and with the thrust of what has been said today.

2.12 pm

Douglas Ross (Moray) (Con): It is a real pleasure to follow the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone). I hope the tone does not drop too quickly after his consensual remarks, with which I am sure we all agree. I congratulate the hon. Member for Gedling (Vernon Coaker) on securing this extremely important debate. I listened closely to what right hon. and hon. Members said about the number of defence debates that were previously held in this Chamber. I certainly think that we should aspire to what was done in the past, rather than just having the odd debate or two.

The motion is wide-ranging, and I will use that as an opportunity to speak about my local bases in the Moray constituency and a number of other issues connected to the military aspect of what we are discussing today. I was taken with the point made by the hon. Member for North Wiltshire (James Gray) that it was difficult to speak after the speeches of so many credible speakers—whether it be the Chair of the Defence Committee, the hon. Member for Gedling or others who have served in the armed forces. Unfortunately, I cannot speak with the intimate knowledge that comes from having served in the military. My only connection is a very important one to me—any Member of Parliament for Moray, which has both an RAF base and an Army barracks, is intrinsically involved with the armed forces, which is why it is such a great pleasure to speak in this debate today. I wish to mention both of those bases today.

First, Kinloss, which has already been mentioned in the debate, was previously home to the Nimrod fleet, but after the decision taken in the 2010 strategic defence and security review it became home to 39 Engineer Regiment, which has been extremely busy in the past year. It has been in South Sudan with the UN, in the Falkland Islands, in Romania to support NATO air policing, and in Cyprus in the anti-Daesh coalition operations. There was much fear and concern when RAF Kinloss closed as an air base—clearly the community was concerned, as were the serving personnel. There was a genuine fear at the time that nothing would be put in its place. Now, in 2018, all of us in Moray are happy and proud to be celebrating the work done by our excellent service personnel at an Army barracks, in place of the air base. It is good to see that strong military tradition at Kinloss continue—and it will continue for many years to come.

Jamie Stone: Does the hon. Gentleman agree that the local populations near these installations are very proud of them and pleased to have them there? We should always remember that.

Douglas Ross: That was something that came out very clearly when the RAF base closed. There were also concerns at the time that RAF Lossiemouth might close, which would have made it a double blow. I took part in a march in Lossiemouth back in 2010 to ensure that the base stayed open. Thousands of people from across Moray, who would not normally gather at a single event, all joined together to show their support for the Ministry of Defence in Moray. That was a very significant event that is still remembered very clearly a number of years later. RAF Lossiemouth is now going from strength to strength, and the numbers there are increasing significantly. It is a northern quick reaction alert facility, protecting our United Kingdom airspace from unidentified aircraft. The Typhoons have overseas deployments with Operation Shader, and are also based in Cyprus for operations over Iraq and Syria. Later this year we will see deployments in Romania and Oman.

We are waiting with bated breath for the arrival of the P-8 Poseidon aircraft. Everyone is celebrating this huge investment, which includes £400 million of investment at RAF Lossiemouth and 400 additional personnel coming to our area. I have informed the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) that I will mention him in my speech. Unfortunately, he took no interventions, despite our having a bit of flexibility. I would not be so churlish should he choose to stand up and intervene on me. He has unfortunately taken the approach that he will not celebrate or welcome this huge investment, which is welcomed by everyone in Moray. He would rather raise scare stories. When I was successful in defeating the Scottish National party incumbent in Moray, I thought that we had ended the time when SNP politicians would raise scare stories about the MOD presence in Moray.

Kirstene Hair (Angus) (Con): Will my hon. Friend give way?

Douglas Ross: I will come back to my hon. Friend in a minute.

I thought that we had got rid of that situation, but no. Just this week, we saw this in the media:

“An SNP MP is demanding reassurance from the UK Government that they will proceed with the… maritime patrol aircraft”.

Let me quote what the hon. Gentleman said in that article:

“I would like to hear them restate their commitment to purchasing all nine of the promised Poseidon P-8 aircraft.”
The hon. Gentleman feel that it was necessary to put out a press release to say that that might be in doubt, when all along the UK Government have had that contract signed with the US Government? We should be focusing on the benefit coming to Moray, rather than launching scare stories. I note that the hon. Gentleman has remained in his seat. He has not tried to intervene to say that I have said something wrong.

Carol Monaghan (Glasgow North West) (SNP): Well, if the hon. Lady needs to support the hon. Gentleman, I will quite happily give way.

Carol Monaghan: I thank the hon. Gentleman for allowing this intervention. I have no need to support my colleague, but I certainly want to take issue with one comment that he has just made, which was about the nine maritime patrol aircraft. I am sorry, but in Scotal and Go in my constituency, and in the constituencies of some of my hon. Friends, we were promised 13 Type 26 frigates. Forgive us if we do not believe this Government’s promises.

Douglas Ross: What I will never forgive is an SNP politician who sits in this House and has the opportunity to question Ministers at any time, but who instead decides to put out a press release launching another scare story about the future of a Moray base. It is very clear: we are preparing for this record investment in Poseidon P-8 aircraft at Lossiemouth. I am sorry that the hon. Member for West Dunbartonshire chose to do that.

Mr Ellwood: I fear that we have moved a way slightly from the measured tone of this debate. In the spirit of reconciliation, may I invite Scottish National party Members to write to me if they have legitimate questions on procurement issues such as this? I would be delighted to give them an answer, and perhaps they would then not feel the need to go through their local press.

Douglas Ross: I am very grateful to the Minister for that. In fact, I would have loved it if SNP Members had gone through their own local press, rather than mine in Moray.

I hope that we do not get too far away from consensus again, but I do want to mention the nat tax. Approximately 10,000 military personnel and 4,000 civilian employees working for the Ministry of Defence are based in Scotland, and the SNP plans to make Scotland the highest-taxed part of the United Kingdom, with everyone earning more than £24,000 paying more tax. I have been contacted by a number of constituents about that.

Stewart Malcolm McDonald (Glasgow South) (SNP): I am glad this is the consensual part of the hon. Gentleman’s speech, because he will of course acknowledge that the frontline squaddies—the lowest-paid in the Ministry of Defence—are getting a tax cut in Scotland under the new tax powers, whereas his Government are freezing their pay, which is actually a pay cut because of inflation. He might want to look at his figures a wee bit before he expands on his point.

Douglas Ross: There we go—no denial from the SNP that it is making Scotland the highest-taxed part of the United Kingdom. A number of my constituents based at both Kinloss and Lossiemouth are contacting me, aghast at the plans by the SNP that will see them paying more tax than their counterparts based in other parts of the United Kingdom. [Interuption.] If it is the Conservatives who are so wrong, maybe SNP Members also disagree with the Scottish chamber of commerce, which said that their move is a “disincentive to investment” that will be difficult to reverse. The SNP should reconsider the policy before implementing it later this year. I hope the Minister will urge SNP politicians in this place to encourage the SNP Administration in Edinburgh not to go ahead with the nat tax. If they do, will the Minister look at options for supporting our personnel based in Scotland who will be faced with these higher taxes?

Stewart Malcolm McDonald: Will the hon. Gentleman give way?

Douglas Ross: I have already given way to the hon. Gentleman.

I also want to look at aspects other than just the two bases in Moray. First, the families connected with our serving personnel are an integral part of our communities, as the hon. Member for Caithness, Sutherland and Easter Ross said, and they are involved in all aspects of our communities. A lot of spouses of military personnel work in local schools and hospitals, and are vital to ensuring that those local services remain open. In Moray, it is estimated that 13% of all school pupils have a military connection, ensuring that some of the smaller schools remain open.

Today is 11 January, which means that it is the new year in the Julian calendar. Along with local people in Burghead, military personnel from Kinloss and Lossiemouth will be taking part in the clavie ceremony today, when clavie king Dan Ralph puts a barrel of burning tar on his back and troops it through Burghead up on to Doorie hill. I always try to get the clavie mentioned on 11 January; I have managed to fit it into this debate somehow. I will find out in a few moments if it is the first time the clavie and Doorie hill have ever been mentioned in this Chamber when Hansard ask me for the correct spelling. The clavie ceremony is another example of how military families get involved with local traditions, and that is to be welcomed.

Our military families play a crucial role in Moray, across Scotland and throughout the United Kingdom. There has rightly been much talk today about the Government ensuring that investment continues now and going forward, and I would like to see that. We are seeing investment in Scotland, including in Moray. We are gratefully appreciative of all the money and investment going into Moray, and we will be serving our local area and the country very well from Moray. I look forward to the rest of this debate so we can continue celebrating the contribution of Moray and service personnel across the United Kingdom.

2.23 pm

Ruth Smeeth (Stoke-on-Trent North) (Lab): I congratulate my good and hon. Friend the Member for Gedling (Vernon Coaker) on securing a debate on such a vital topic. After his tour de force, and those of other
colleagues across the House, I am sure that there is little more to say—but since when has that ever stopped any of us?

No one in the House would challenge the fact that our armed forces are truly the best in the world. Their skills and professionalism are second to none, and we owe our security to their service on a daily basis. Yet who could look at the decisions that this Government have taken and conclude that our armed forces are being well supported, that our defence family is getting the investment and consistency of message it needs, or that our current sovereign capabilities are being protected?

Colleagues from across the House have articulated, and will continue to do so, the point about the holes in the defence budget—the fact that 2% of GDP needs to be a minimum, not a target, for defence expenditure, and that when we are considering expenditure on conventional forces versus tackling the ever emerging threats of cyber-warfare and international terrorism, it should not be an either/or. I, of course, wholeheartedly agree.

I do not intend to use my time today to speak up for the status quo. I am concerned that there is limited strategic consideration from the Government about what we need and why, which is what I plan to discuss today. Our world is changing beyond all recognition, and we must be prepared to change with it. We face new oppressors, renewed threats and unprecedented challenges. Whether it is a resurgent Russia, an unstable middle east, a volatile North Korea or the ever-present and ever adapting threat of international terror networks, the global order is entering a period of rapid and unpredictable change. That requires a more flexible but genuinely strategic approach from central Government—something that can only happen if we are asking the right questions in the right order.

In my humble opinion—not so humble, as many hon. Members know—it is vital that we agree what we are trying to achieve before we start talking about cuts and capabilities. There are questions that we need to discuss. What is our place in the world? What threats does that mean we face? Based on those threats, what capabilities do we need? And then—and only then—how much money do we need to deliver them? Let us start with our place in the world.

Much has been made of the Prime Minister’s past statement that “Brexit means Brexit”. I raise this today because I am increasingly convinced that, far from being a soundbite concocted to keep the Government’s cards close to their chest, this statement in fact represents the sum total and sole focus of this Government’s vision for our place in the world. And that question of Britain’s place in the world is exactly the one that we need to answer if we are going to develop a coherent defence strategy for the 21st century. The EU referendum should have been, and now must be, the start of a meaningful conversation about what our country’s future will look like outside the European Union. Brexit must not mean that we abandon our allies, neglect our commitments or turn away from the wider world, but it does require us to think again about the role we are going to play in the future.

Britain has always punched above her weight on the world stage, and today our soft power is extended through our unique international position. We are a nation that has never shirked our responsibilities on the world stage, or stepped back from our duty to defend our friends and allies. We have made mistakes, and have sometimes been faced with the consequences of our actions—or, most recently, the consequences of our inaction. Yet for all this, I contend that it is in not just our own interests but the interests of global stability that Britain continues to exercise its power on the world stage, and that we continue to play our part in tackling the security challenges that we and our allies face.

I am proudly a member of an internationalist party, so walking away from the world is simply not an option for us. But retaining our place in the world not only costs money but determines what capabilities we need to tackle emergent threats. This is, of course, a defence debate, rather than one focused on foreign affairs, but I think we can all agree that an emboldened Putin, an erratic President in the White House, the increased use of cyber-terrorism from too many actors to count, the ongoing instability in the middle east, the increasingly volatile positioning of North Korea and the challenging environment in the South China sea pose genuine threats for the UK. This is in addition to the continued threat of international terrorism that touched too many families last year. We must remember, though, that not all challenges we face come from the aggression of nation states or ideological opponents. Climate change and natural disasters also have huge destructive capacity, and it is frequently our armed forces who have been the first to be deployed to offer aid and assistance, as we saw so recently with Hurricane Irma.

What do we need to be able to respond to this level of threat? Our capabilities are currently incredibly flexible, but I am concerned about what we could be about to lose in terms of our military and our domestic skills base, both of which ensure our security in the future. Keeping us and our allies safe in this uncertain environment requires a military that is flexible, highly trained and capable of deploying quickly in a diverse range of scenarios and climates. It also requires the right number of people.

Thankfully, we start from a position of strength; we used to be stronger, however. We have some of the most effective and well trained armed forces personnel in the world and the ability currently to deploy them quickly by land, sea or air. Yet these advantages are at risk of being undermined by the Government’s current approach to our national security, under the current national security and capability review—or cuts programme, as we should call it.

Stephen Morgan (Portsmouth South) (Lab): I congratulate my hon. Friend on her eloquent speech. Does she agree that the national security and capability review has nothing to do with strategy or the role of our armed forces in the world? It is just a last-ditch attempt to get to grips with years of spending mistakes and indecision.

Ruth Smeeth: I could not agree more with my hon. Friend. At this point, the national security and capability review seems to equate to little more than a campaign of cuts and reductions so severe that it is causing concern not just within our armed forces but even among our closest allies, which regularly raise discussion about it. Perhaps the most egregious example is the Government’s reported plan, already mentioned, to decimate our amphibious capability and cut up to 1,000 Royal Marines.
I have seen at first hand the Royal Marines’ extraordinary courage, ability, focus and fortitude, and I am a fan. Following his photo op this week, I hope that the Secretary of State for Defence has also come away from his time at Lympstone with a fresh appreciation of what our Royal Marines bring to the table; perhaps he will use them more effectively, going forward.

James Gray: As chair of the all-party parliamentary group on the armed forces, I want to put on the record how much I appreciate the hon. Lady’s chairmanship of its Royal Navy and Royal Marines section, as well as the chairmanship of the hon. Member for Bridgend (Mrs Moon) of its RAF section. I want to thank them for it.

Ruth Smeeth: You’ll make me blush.

Mr Francois: And that’s not easy!

Ruth Smeeth: Not too easy. I thank the hon. Member for North Wiltshire (James Gray) very much. One important thing, demonstrated here today, is that the armed forces parliamentary scheme and the all-party parliamentary group on the armed forces inform all of us and ensure that the standard of debate in the House is as high as it can be.

I return to our amphibious capability. The proposals to cut our amphibious capability in the shape of HMS Albion and HMS Bulwark could cause tremendous harm to the adaptability and deployment options of our armed forces. Simply put, they would cut our options at a time when we need as many as possible, not fewer.

We will not adapt to this new world by running down our existing capabilities or by undermining the very people who are putting themselves in harm’s way in our defence; let us remember why they are there. But I fear that that is exactly what we are doing. It is no secret that the MOD currently faces a £20 billion black hole and the risk of further cuts. I sincerely hope that the new Secretary of State has made representations to the Treasury demanding more money from the pen pushers who worry about their air conditioning—my favourite quote of the day.

It is my very real fear that if we continue down the path that the Government have set, we may find ourselves ill-equipped to deal with what the future holds. We also need to recognise that Britain’s security does not just depend on our service personnel, vital though they are; we also need new and advanced technology platforms for them to use. A vital aspect of that is buying British, so that we can retain domestic skills to design, develop and produce cutting-edge defence technology.

In a post-Brexit world, that is more important than ever. That is why I began this year with a visit to the BAE Systems site in Brough to meet the team behind the Hawk. That was not just a chance to see some of the incredible engineering technology that goes into these aircraft; it was an opportunity to speak with the wider defence family—that is who they are: the engineers, technicians and manufacturers, who make kit knowing that their neighbours and children may well end up using it to keep them safe. They support both our own military and those of our allies, and we need to recognise that. Unfortunately, many of them are currently under threat of redundancy, owing to a lack of orders. The reality is that the MOD needs to step up and ensure that that industry has a steady drumbeat of orders, so that it can invest in their workforce and emergent technologies.

Fundamentally, however, my real concern today is that the Government are focused only on the cost envelope—trying to fill the black hole in the budget rather than investing properly in our future and what we need to keep us safe.

Mrs Moon: I am listening in particular to what my hon. Friend is saying about defence procurement and the need for a regular drumbeat of orders. I sometimes wonder whether the public understand the importance of keeping the sovereign capability embedded in those skills. At some point, we might not be able to call on neighbours and allies to provide us with kit and equipment. We need always to be able to provide that critical equipment ourselves.

Ruth Smeeth: I could not agree more, but the issue is twofold: it is also about our economic prosperity. Some 88% of defence exports come from aviation, yet we have no dedicated defence aviation strategy. We need a plan—we needed it last year, but we will take it this year, please, Minister.

By attempting to limit our capabilities according to budgetary constraints, the Government are putting the cart before the horse. The reality is that we cannot secure the defence of the realm on the cheap. If we are serious about having armed forces fit for the 21st century, we need to assess what threats we face, establish what capabilities we will need to counter them and then spend accordingly—whatever it costs. We need to stop tirelessly regurgitating the line that we are meeting our NATO target. Let us be clear that 2% is not a target, but a minimum threshold: if it proves insufﬁcient to provide the capabilities that we need, we must be prepared to invest further.

No one can predict the future. Unfortunately, there will always be new threats on the horizon and not all of them can be foreseen. But it is the duty of Government—this Government—to ensure that we are as prepared as we can be, with the capabilities that we need.

2.36 pm

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): It is a privilege to rise to speak in such a consensual debate; I congratulate the hon. Member for Gedling (Vernon Coaker) on securing it. It is an honour to speak after the hon. Member for Stoke-on-Trent North (Ruth Smeeth), who is such a vociferous supporter of the Royal Navy and Royal Marines.

In a Westminster Hall debate a couple of months ago, I cited the age-old list of enemies of the fleet; Members will forgive me for repeating it today. They are, in reverse order: the French, because with the Navy it is always the French; the enemy of the day; and, of course, Whitehall. That is, of course, typical Jack humour, but as ever with Jack there is an uncomfortable grain of truth. As a Conservative proud to think of my party as the part of the armed forces, it is rather difficult to swallow.
On the one hand, the Government have proved themselves to be committed to the defence of our nation and the resourcing of strong, capable, adaptable and modern armed services. The UK still has the second largest defence budget in NATO, the largest in the EU and the fifth largest in the world. It is one of only five countries that meets the NATO baseline of spending 2% of GDP on defence—a depressing statistic in itself. It is the Conservative party and this Government who have committed to increase defence spending by 0.5% above inflation every year until 2021, meaning that the defence spend is £35.1 billion in this financial year, will be £36 billion next year and will go up to £39.7 billion in 2021.

The last year did see unprecedented investment in equipment across the forces. I apologise in advance for this rather long list, but it is important to underline how much equipment is being purchased and built by the Government for the forces of the Crown. The Royal Navy saw HMS Queen Elizabeth being commissioned, the Prince of Wales being named, five offshore patrol vessels start their build, and steel being cut for the first Type 26 frigate, HMS Glasgow, and for the first of the new Dreadnought class ballistic missile submarines. The Astute class programme continues, and the competition for the Type 31E has been unveiled. The Army has seen the warrior infantry fighting vehicles upgraded; 50 upgraded Apache attack helicopters; new Chinook helicopters enter service; and brand new Ajax multi-role armoured vehicles. Meanwhile, the RAF saw the purchase of nine Boeing P-8 maritime patrol aircraft, 48 F-35s, new Voyager transport aircraft, new high altitude surveillance aircraft, more than 20 Protector drones, and Airseeker surveillance aircraft.

I have not even mentioned that the Government side of the House is the only one that unreservedly, without fear or favour, supports the maintenance of Britain’s independent nuclear deterrent. With that record, as well as our unparalleled investment over the past year—

John Woodcock (Barrow and Furness) (Lab/Co-op) rose—

Andrew Bowie: I will give way to the hon. Gentleman.

John Woodcock: I thank the hon. Gentleman, but that is demonstrably not true. Had he been with me during the many circular arguments within the Labour party over the last seven years, rather than having just popped up as a Conservative MP this time, he might know better. Will he correct the record please?

Andrew Bowie: If there is a circular argument within the Labour, it shows that it is not united behind an independent nuclear deterrent. Perhaps we should ask some of those who were backstage at Glastonbury last year whether the leader of the Labour party supports an independent nuclear deterrent.

With our record, as well as our unparalleled investment in the defence estate to bring accommodation up to a level suitable for 21st-century life, which is needed, the commitment of the Conservative party and the Government to the forces of the Crown should be unquestioned. In the past seven months, however, it has depressed me to read stories and debates in this place and hear at first hand from those still serving that all is not as rosy on the ground as we would like, and that perhaps we are not doing or spending enough to maintain our dedicated armed forces at the necessary level for them to do the jobs we ask them to do. We cannot underestimate the effect that continual media speculation has on morale in the ranks, especially in my neighbouring constituency at RM Condor, for example, which seems perpetually to have the sword of Damocles hanging over its future.

Kirstene Hair: Does my hon. Friend agree that it is the reckless scaremongering of opponents, such as the Scottish Government Minister who wrongly suggested that RM Condor was up for closure only a few months ago, that is putting our brave personnel and their families under undue threat, and that we should not play political games with our defence capabilities?

Andrew Bowie: Yes, I could not agree more with my hon. Friend. As I have said, we cannot underestimate the effect on the morale of people serving on bases such as Condor when every so often—or every other month, it seems—we read in newspapers of ill-judged speculation about the future of bases by, in this case, Scottish Government Ministers. We cannot underestimate the effect that has on them, their families and the communities those bases serve.

Mr Francois: My hon. Friend mentioned accommodation a couple of minutes ago. Will he accept from me that the repairs and maintenance service provided by CarillionAmey is woeful and that many service personnel from across all three services are very upset about it? We need to honour our people and do better. Does he agree that the Minister, who I believe has sympathy with this point, should be encouraged to hold CarillionAmey more firmly to account?

Andrew Bowie: I could not agree more with my right hon. Friend. In fact, one thing that gets brought up time and again when I speak to friends still serving in the armed forces is the state of accommodation and the support they have received from that company. It would be very nice to see it held more firmly to account by the Ministry of Defence.

Since I came to the House, we have too often heard questions raised about whether the UK can afford to maintain its independent amphibious capability, seen key elements of Royal Marine training cut and even questioned the overall number of our Royal Marines. Over Christmas, we read about the selling of HMS Ocean for £85 million, barely two years after a £65 million refit, which would leave this country without a functioning helicopter carrier capability until the Queen Elizabeth comes into service in 2020.

Even more worrying, however, and something that has not been touched on in this debate yet, is the current level of troops medically fit to deploy today. The British Army today has an official full-time trained strength of 78,407, which is already below the target of 82,000. In answer to a written question of mine in November, however, it transpired that the number of medically unavailable troops stands at 18,000, meaning that the fit and trained strength of the Army is 60,500—just over 60,000 soldiers fit and able to deploy today. In the Navy, that figure is 24,893 out of 29,000. In the RAF, it is 25,000 out of 30,000. That means that as we debate this
today the immediately deployable strength of our full-time armed forces sits at 111,026. To put that into context, it is three times less than the number of people employed in Britain by Tesco.

On Tuesday, in Foreign Office questions, I asked the Foreign Secretary about our pausing reluctance to intervene in Syria in 2013, which I believe prolonged the conflict and led to thousands more deaths. Whether someone was for or against intervention in 2013—I know that there are strongly held views on that, and I respect that—the fact is that we had that choice. We had, and still have, the ability to choose whether to intervene because of the size and capabilities of our armed forces. There is a genuine concern today, however, at the heart of the defence and diplomatic community and among our closest allies that in the not-too-distant future our ability to intervene for good, as we did in Kosovo and Sierra Leone, or to support our partners across eastern Europe, could disappear, and with it our standing on the world stage would be diminished, especially if we lose our amphibious capability or cut the number of troops even further.

I know that the Government support the armed forces. Ministers in the MOD are fighting daily battles to secure the budget and numbers, and the record on increased spending and procurement and the improvements in accommodation are a testament to this. Difficult questions must be asked, however, about recruitment and retention, about the size of our defence budget—is 2% of GDP enough? I do not think it is—and about whether the cost of funding our continuous at-sea deterrence should be met from an already-squeezed defence budget, or whether, as some believe, given that it is a continuing operation, it should come directly from the Treasury, as it did until 2010.

These are big and difficult questions, but they must be asked and answered, for we must maintain the trust of our armed forces and our allies. If we are serious—and I know we are—about being a truly global Britain, we must maintain our position on the world stage, leading the world in investment in and commitment to our responsibilities at home and abroad, and we must never lose the ability to intervene with moral purpose in defending the values that we cherish around the world when we choose to do so. Only when these questions are answered—and I know they will be by this Government—can we truly move forward with confidence that in this country we will continue to have the finest, most adaptable and best equipped armed forces in the world—armed forces that, as the hon. Member for Gedling said, we can all be truly proud of.

2.45 pm

Carol Monaghan (Glasgow North West) (SNP): As many Members will know, my husband served as a Royal Navy officer for 17 years. As a result, I want to speak almost exclusively about the impact that serious budget cuts have on personnel.

It is often said in the military that the most important part of the weapon system is the human being. If the human being is not maintained with due care and attention, as other parts of the weapon system are, the Government are undermining the fundamental principles of our armed forces: defending our nations, promoting democracy and protecting human rights. The men and women who serve in our armed forces are used to the warm words of this Government. Unfortunately, pledges of support ring hollow, however, when the everyday reality of forces life is being made far more difficult by chronic under-investment and cost-cutting.

If the human being is to continue to be the most important part of our weapons systems, personnel must be central to any defence strategy. Unfortunately, they appear to be an afterthought. Considering the journey of a typical soldier throughout their career, we see that a number of areas must be improved. Recruitment should play an important role in our defence strategy, but this has been outsourced to a private company, Capita. Leaving aside the £44 million annually that Capita is creaming off to perform the service, I must ask why we are relying on a third party—possibly one with no knowledge of service life—to recruit those who will defend our nations. Instead of wasting millions on a failing contract with Capita, the Government should invest in a fair pay rise for personnel. It was revealed in response to a written question in October 2017 that the Government had increased spend on recruitment advertising by nearly 50%, yet Army numbers have continued to fall.

When recruits join up, they are faced with housing conditions that in some instances have been described as squalid, as a number of Members have mentioned. Military personnel may accept that as being just part of the job, but what about when families and children are involved? Relationships are already put under huge strain by service life, but the additional pressure that poor housing puts on relationships is immense. How can children study when there is no internet or when the central heating boiler does not work? Meanwhile, we continue to refer to our service personnel as “brave” and their families continue to be lauded. I am sure they do not feel the same way.

Then comes the time to take some well-deserved leave—leave to which service personnel are fully entitled. In the submarine service, where my husband served, five days’ leave used to mean heading off on a Friday afternoon or early evening and not returning until a week on Monday, so there was a full week and two weekends at home. Now, it is far more common for five days’ leave to start on a Monday morning, with submariners expected to be back in post on Friday night. How is that sustainable? How can relationships survive such neglect? Those submariners are not central to any defence thinking.

Worse still, the reality for some is that they are unable to take their leave at all because of personnel shortages, or part of their leave has to be spent doing mandatory training such as health and safety, conduct after capture or equality and diversity. No one would argue that that training does not have to take place and in isolation no one would object to it, but when they are back from operations, personnel need to fit in such mandatory training, operational training and leave. That has come about slowly over a period of time and is now simply accepted as the reality. However, when the operational stretch is such that the only time training can take place is during leave, I question once again whether personnel are really central to defence thinking.

I want to talk again about the children, who can have a variety of educational experiences. In Army regiments, the families often move with the unit. The solution
Presented is to send the children to boarding school. When I was faced with that possibility for my son, we took the decision to remain in Glasgow—me in my job and my son in the local comprehensive school. However, the educational experience of many children is disjointed, resulting in poor outcomes and children's attainment not always matching their potential. If personnel are central to defence thinking, we must think more creatively. We must think about things like the distance between family homes and bases, and how we can ensure educational continuity.

Equipment has been mentioned by a number of Members so, in the interests of time, I will move on to veterans. We celebrate our veterans’ service and thank them for their sacrifice, but in many cases, unfortunately, we then leave them to get on with it. There are fabulous veterans’ organisations, but they are scrabbling about for funding—funding that should come from the Government. Organisations such as Combat Stress deal with the most psychologically damaged veterans and centres such as the Coming Home centre in Govan in the constituency of my hon. Friend the Member for Glasgow South West (Chris Stephens) provide a vital lifeline for veterans, but they are struggling to keep in the black because of cuts and a lack of funding. Are those veterans central to our defence thinking?

All the personnel issues are compounded by chronic disinvestment. What makes this infuriating is the voicelessness of the personnel. The Netherlands has four trade unions that represent the armed forces. They act as a go-between that can liaise between the Government and the armed forces. Morale is so high and conditions so good in the Netherlands that special measures have been introduced to encourage personnel to retire at the age of 55 to make way for younger recruits. We need to establish a representative body on a statutory footing to give a voice to our armed forces—a representative body that is able to liaise directly with Government and ensure that personnel are central to defence thinking. Ultimately, the chronic disinvestment must be addressed. Our most important weapons system must be maintained, not neglected.

I will finish by quoting, like my hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes), from General Sir Richard Barrons, who gave evidence to the Defence Committee in November:

“The people who are in defence have to keep going every day. They are never going to say publicly, or to themselves, their enemies, or their allies that we are broken, but when they fly, sail, or deploy on the land and they look at their equipment, their sustainability, the shortfalls in their training, and at their allies, they know that they are not fit for purpose.”

2.55 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to follow the hon. Member for Glasgow North West (Carol Monaghan) and to take part in this debate. I pay tribute to my hon. Friend the Member for Gedling (Vernon Coaker) for his outstanding, wide-ranging introductory speech, which set the tone for the debate—or at least most of it—that we have had so far. The comment that struck me most was by my hon. Friend the Member for Bridgend (Mrs Moon), who spoke of the armed forces as being fundamentally about skilled individuals. I think the phrase she used was, “the people with the expertise”.

In seven years in this place, I am not surprised, given the history of north-east Wales, by the number of current members of the armed forces whom I have met, but I am surprised by the number of former members of the armed forces whom I have met. Their reasons for no longer being in the armed forces are quite diverse. I hope that, as we have this debate, we listen to their voices.

My constituent, Alex, is a former member of the armed forces with years of experience serving in the Royal Navy. As I prepared for this debate, Alex did rather a lot of work with me, having spoken to a number of his colleagues who still serve in the Royal Navy. I would like to share the points that Alex raised with me directly with this House and with the Minister. He says this:

“HMS Northumberland is currently in the final stages of a multimillion pound service. As is typical of our refits, headline upgrades to weapons systems use the bulk of the available budget. The budgets are so constrained that a lot of engineering defects are largely ignored purely due to a lack of funding. The 4 main Diesel engines (used to power and drive the ships) have major issues remaining extant and the switchboards used for main power distribution also have major issues. Due to a lack of funding there is no repair plan in place for these problems. Issues are also going on with both the chilled water plants (used to cool the weapons control systems). These engineering issues in Northumberland were typical of Type 23 frigates throughout my career in the Navy and a situation arose where despite my warnings, when serving as the diesel maintainer on Monmouth back in 2011, we suffered simultaneous and catastrophic failures on two of our Diesel engines leaving our ship stranded alongside awaiting a double engine change, at huge cost.”

Moving on to manpower issues, my constituent writes:

“The Navy haemorrhaged personnel between 2010 and 2013 with the redundancy tranches. Marine Engineers in particular were hit quite hard. One of the main draw backs was a lack of ability to compete with a higher paying private sector. This loss in engineers left others over worked, and feeling underpaid compared to their civilian counterparts. This was a key reason for me leaving ultimately. I had over 5 months of leave to take that had accumulated over several years of cancelled leave periods due to engineering defects and trials. This lack of man power has now spread to Weapons Engineers and communications ratings. These people are amongst the most capable and highly trained engineers on the planet and the MoD has no real plan for retention and no ability to compete with private employers. I also know that due to staff shortages, people who are just not ready for promotion are being promoted to fill gaps in senior positions. These positions come with great responsibility and it is unfair on the promotee to be put in to that position without sufficient experience. Speaking of manning shortages, HMS Portland has been sat alongside in Devonport since March with a locked gate on her gangway, as they cannot staff the ship. It is occasionally being used for minor training exercises. Then will be going in to refit early next year. If manning is not sorted, when she comes back in to service personnel may need to be passed from other ships causing shortages elsewhere and further compounding the effect of engineers et al missing out on leave.”

My constituent also writes:

“These issues are causing other issues, as more ships are now due to be cut. There are rumours of 2 Type 23s and at least 2 LPDs being scrapped and the fabled Type 26 may not see service for another decade. Of the 13 Type 23s currently in service, there are 4 in refit and HMS Portland locked up alongside. Of the remaining 8, at least 2 are running around the UK on reduced man power. That leaves 6 destroyers and 6 frigates out to meet our standing NATO commitments across the globe, providing no destroyers are currently in refit. It’ll be no surprise that we don’t have a UK presence on a few standing NATO deployments as we have a fleet of maybe 12 active surface warships. I was wrily chuckling with my friends that Fleet is the wrong word and in reality the Royal Navy makes up barely a squadron.”
[Susan Elan Jones]

I was struck by these comments at the end of what Alex writes:

“This is not a concise appraisal of the struggles of the Royal Navy and certainly more issues are ongoing but these are things I know quite confidently. I have worked across the globe as an engineer since leaving the service and I can say quite categorically that our service men and women are amongst the most capable and expertly skilled engineers on the planet. This means they are sadly being let down by ever tightening shoe string budgets and face annual below inflation pay increases. Though this year they won’t have a below inflation increase as they have been told to expect no increase at all.”

My constituent goes on:

“I know tabloids have said this sensationaly before but I don’t feel it has ever been truer than today. Our Armed Forces are at absolute crisis point! Our equipment is over used and under maintained and so are our servicemen and women. The Government needs pressing on this and holding to account for the 7 years of decay they have inflicted.”

I very much hope that the Government will be held to account today, and that the Minister will respond to the points made.

3.2 pm

Chris Stephens (Glasgow South West) (SNP): I join others in thanking the hon. Member for Gedling (Vernon Coaker) for securing this debate. I found out a couple of minutes ago, to my astonishment, that he is not right honourable, but I am sure that will be rectified in good time. He was quite correct in what he said in his speech, and he struck a chord with me when he talked about the economic benefits to the country of maintaining defence spending. I will use the last part of my speech to talk about that, particularly as it relates to shipbuilding and the national shipbuilding strategy.

I have a great family history in that many members of my family have served in the armed forces, and when it comes to defence spending, Thales, a company in my constituency, is celebrating its centenary this year. As I noted in early-day motion 292, the company has now provided visual systems equipment for submarines—or, for the lay person, periscopes—for 100 years. That resonates with me because, when it was trading as Barr and Stroud, my grandfather and grandmother met there, fell in love and ended up married for 61 and a half years. They were very keen supporters of the Scottish National party, and if it was not for them I would not be here in the Chamber today.

I thank my hon. Friend the Member for Glasgow North West (Carol Monaghan) for mentioning the Coming Home centre, which is celebrated in early-day motion 499. It provides 1,000 hot meals a month to veterans in Glasgow, and it does fantastic work. I am a regular visitor to that centre, and am always keen to help with its funding.

The hon. Member for North Wiltshire (James Gray) made an important point that was backed up by other Members when he said that the Government should be allocating more time to discuss defence matters. For example, Sir John Parker’s report on shipbuilding was published on 3 November 2016, but the first opportunity for Members of the House to debate that report was 8 February 2017, when my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) secured a debate in Westminster Hall.

We had a ministerial statement on the national shipbuilding strategy from the former Defence Secretary—it is fair to say that it was a presentational dog’s breakfast—but we have not yet had the opportunity to debate that strategy, despite the best efforts of many members of the all-party group on shipbuilding and ship repair, who are always applying for such debates. This is therefore an opportunity for Members such as me—and I am sure others—to debate the national shipbuilding strategy.

For me, the national shipbuilding strategy has flaws that should be explored by hon. Members across the House to see whether we can put them right. Our real fear is that the national shipbuilding strategy is going back to the thinking of the 1980s, which suggested that shipyards should be in competition with each other. Such thinking has only ever led to shipyards closing. Competition has not led to the cutting of costs; with shipbuilding it has led to higher costs and to some famous shipyards—such as Swan Hunter—no longer being around and trading.

We must consider whether we want specialist shipyards that build complex naval warships. That was the position of the former Labour Government who decided that the centre of excellence for building complex naval warships was on the Clyde. I am always grateful to the workforce at Govan on the Clyde, and particularly to the trade union representatives who do a magnificent job of representing their members in the shipbuilding industry.

The other flaw in the national shipbuilding strategy is the nonsensical position of ignoring Sir John Parker’s recommendations, and sending the building of Royal Fleet Auxiliary ships out to international competition. This country has just completed a process during which the Aircraft Carrier Alliance was built across shipyards in the UK. If that was good enough for the Alliance, surely it is good enough for Royal Fleet Auxiliary ships. I do not believe that sending Royal Fleet Auxiliary ships to international competition will save the Ministry of Defence money—far from it. Indeed, the Government would make greater savings if they built the ships in the United Kingdom, because the workers building those ships would pay income tax into Government coffers. There will be no savings in sending the building of Royal Fleet Auxiliary ships to international competition, and I hope that the new ministerial team in the MOD will look seriously at that issue. These ships should be built in the United Kingdom.

The hon. Member for Gedling mentioned price tags, and his speech resonated with me with regard to general purpose frigates. There is a flipside to what he said about price tags, and I have the impression that the price tag set for a general purpose frigate will determine its capabilities. We have yet to discover—either in a debate or during Defence questions—what will be the capability of the general purpose frigate. It seems to be a downsize from the Type-26 frigate, three of which are contracted to be built in my constituency. What is the role, purpose and function of the general purpose frigate for the Royal Navy? We do not yet know.

Vernon Coaker: I am sorry to interrupt, but this is such an important point about capability. If you have an equipment budget projected over the next number of years, it must be based on a certain price. So if you do not know the price of those frigates and the price goes
up, the only way to pay for them without increasing resources is to cut a capability somewhere else. It is ridiculous.

**Chris Stephens:** I fully agree with that point. Francis Tusa, a defence analyst, said that if anyone believes it is possible to build a general purpose frigate for £250 million they are guilty of a conspiracy of optimism. There is no defence expert who thinks that that is an appropriate price for building the general purpose frigate.

**Mr Ellwood:** I want to provide a bit of clarity on this important point, which is part of our shipbuilding strategy. Yes, there is a tentative price tag of £250 million, but each ship will be tailor-made for the order that we actually get. As the number of orders that we get goes up, the unit cost of the ships will go down. Of course there are ways of criticising that, and if Opposition Members have another strategy in mind, I invite them to suggest it; but I want to make it clear that this is something that we are doing, in advance, to utilise our friendships across the world to provide a capable ship that can be utilised in a number of maritime capabilities, depending on the details of the individual order.

**Chris Stephens:** I thank the Minister, who has been constructive, but I would gently say to him that there was a promise that 13 Type 26 frigates would be built, and that was cut to eight Type 26 frigates and five general purpose frigates, the purpose of which we do not yet know. He mentions orders. It seems to me the argument is that these general purpose frigates could be exported, but who would they be exported to? If we do not know the purpose, the role and the function, why would anybody anywhere else in the world buy a general purpose frigate? It makes no sense. When the Minister sums up, he may want to consider those issues.

The Government have a role to play in shipyard investment. The Ministry of Defence has talked, not just on the Clyde but at other shipyards too, about being more efficient, and if those shipyards are to be more efficient it means a very real investment in shipyard reconstruction and construction. When the former Secretary of State made his statement on the national shipbuilding strategy, he insisted that there was a frigate factory on the Clyde. While he was at the Dispatch Box, insisting that there was a frigate factory on the Clyde, representatives of the GMB trade union were taking journalists round the Clyde, showing them the site where that proposed frigate factory was supposed to be built, and it was rubble and ash.

We really need to get this right. I support the construction of a frigate factory, but it will need investment, and the Ministry of Defence has a real role to play in providing finance and money for that, because if it is insisting that shipyards should be more efficient and that they should reconstruct, it has a role to play. I hope that it will consider investing in a shipyard construction.

3:13 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): I congratulate my hon. Friend the Member for Gedling (Vernon Coaker) on securing this debate. I rise to speak not only for the armed forces in Plymouth, but those right round the world. They deserve our thanks and respect for all the work they do. It is worth noting that it is not only those people who serve in uniform that we should be thanking in this debate, but all those civilian defence workers who do such a good job of supporting our armed forces. Not only the engineers, designers, tradesmen and technicians at Devonport dockyard but those in the entire supply chain—sometimes called “the defence family.”

Plymouth is entwined with this debate, not only as a defence city but because HMS Albion, HMS Bulwark and the Royal Marines, which are based in Plymouth, are at the heart of this debate about defence spending. A strong defence is worth fighting for, and that is a sentiment that has been shared by Members on both sides of the House. I think the defence communities have had enough of the talk of cuts—Plymouth certainly has—and they want to see a strategy laid out such that we can proudly talk up our armed forces, with a firm plan about how we will provide them with the equipment and training they need, and the support they need after their time in uniform has come to an end. That should be our collective ambition, but we are still far too far from that at the moment.

I would like to praise all those who have come to the defence of Albion and Bulwark and the Royal Marines. Plymouth, as we know, is at the centre of the universe—it has certainly felt that way in this debate. Members across the House, people across the country and our allies abroad have spoken about the world-class capabilities that Albion and Bulwark provide, and the expertise of the crews who serve on board and the people who provide support in port. I also support the Plymouth Herald’s “Fly the Flag for Devonport” campaign, which has enabled people in Plymouth to add their voices in support of our brave men and women who serve on Albion and Bulwark and in the Royal Marines.

As has been said, the context of this debate has changed. Russia is more assertive. Its use of Georgia and Ukraine as test grounds for new weapons and tactics is something that all of us in this House, whether or not we have a defence interest, should be aware of. Its weaponisation of migration, in particular, is a deliberate tactic deployed by the Kremlin. Its use of cyber to intimidate not only us but our allies is a growing threat. The threat to the northern flank, as detailed by the right hon. Member for New Forest East (Dr Lewis), is something we should take seriously. We need to know about the threat to the Baltic states. I ran a quick test on the Baltic states, asking people to name them from north to south. I have to say that I am concerned by the results. It is critical to the defence of our NATO and EU allies that we understand why the Baltic states are important, so we should first be able to name them on the map.

**Vernon Coaker:** Go on then.

**Luke Pollard:** Estonia, Latvia, Lithuania and then, importantly, Kaliningrad, a Russian enclave in the heart of Europe. We should all be studying this important defence context.

We need to invest more in our cyber and intelligence capabilities, but not at the expense of our conventional forces, as has been said. We need to invest not only in our equipment, but in our personnel. I had conversations with off-duty service personnel in the pubs around Plymouth that morale is a concern, not only because of the poor state of armed forces...
accommodation, as has been mentioned, but because of the pay cap and the uncertainty of their role in the world. Key to our armed forces is their ability to get on and do. They do not question; they just deliver. It is up to us in this place, and to Ministers, to do our bit to ensure that they have the backup they need. At the moment there is much more that could be done.

I am grateful to the Armed Forces Minister for meeting me yesterday to talk about the base-porting of frigates, which is an important issue in Devonport. I welcome the decision to base-port the new Type 23s with tails and ASW—anti-submarine warfare—capabilities in Devonport, but I encourage Ministers to set out a timetable for when the base-porting arrangements for the Type 26s and Type 31s will be made so that we can provide certainty. Devonport has a 25-year order book for maintenance in our dockyard, but that is not the case for our naval base. That certainty is very important.

In my maiden speech I made the case for the Type 26s to be base-ported in Plymouth. At the time I was expecting 13 Type 26s, as Scottish National party colleagues have mentioned, but we now expect only eight of them plus the Type 31s. I am concerned about the debate on the Type 31s, because we must have confidence in these warships, to ensure that they and the crews who serve on them around the world are respected. I think that the debate on the Type 31 frigate could be resolved simply if Ministers renamed it a corvette rather than a frigate.

The Type 26 frigate will be world-class and world-beating. Let us not spend our time in this place talking down the Type 31. We should be having 13 Type 26s, but for various reasons we will not, so let us have five world-class corvettes, not just cheap frigates, which would do us and the Royal Navy no favours. I think that could easily be rectified.

While I am making requests of the Minister, will he provide some clarity today on what is happening with HMS Ocean? Having returned from expert work supporting hurricane-hit communities in the Caribbean, to hear from the Brazilian Government that they have purchased HMS Ocean for £84 million, not from the UK Government, felt like a kick in the teeth for all those closely associated with this world-class ship. I would be grateful if the Minister provided clarity on what is happening to her.

I mentioned HMS Albion and HMS Bulwark at the start of my remarks. I expect Ministers to hold true to their promise that Plymouth will be a centre for amphibiosity. That means not only retaining the Royal Marines in Plymouth after the closure of its spiritual home at Stonehouse barracks with a new purpose-built facility in the Plymouth area, but also ensuring that we have amphibious ships that are capable. The Bay classes are brilliant ships but they cannot replace the capabilities of the Albion class ships, and neither can the carriers. Losing HMS Ocean’s unique littoral capabilities for a helicopter carrier cannot be replaced by the Prince of Wales.

So we know we are having a capabilities cut already, but we need to make sure that, in providing a world-class centre for amphibiosity, we retain Albion and Bulwark and the Royal Marines. I am pleased that there has been cross-party and cross-Chamber support for the retention of the Royal Marines and the amphibious warships, and I know that Ministers have listened carefully to this.

I must tell the Minister that many Members on both sides of the House will join him in any contest he has with the Treasury to make sure that he gets the resources he needs to provide for our armed forces.

On four occasions to date since being elected, I have asked Ministers to rule out cuts to Albion and Bulwark, but on each occasion I have been told it is simply speculation and is untrue. I ask the Minister now to give some certainty to those who serve on those ships by ruling out the cuts once and for all so that we can focus on where we need to get to, and to rule out cuts to the Royal Marines. Plymouth already saw the loss of 300 Royal Marines from 42 Commando just before the general election, so we have recent history of knowing that cuts to the Royal Marines can, and indeed do, happen. They are a vital pipeline for our special forces; the 6,500 Royal Marines provide 40% of our special forces. We must preserve and embed this pipeline.

On submarine recycling, we have spoken about the importance of our hunter-killers and our ballistic missile submarines, but I also want to raise the issue of the 19 decommissioned defuelled or fuelled submarines lying at rest in Devonport, or at the naval base in Rosyth. Valiant, Warspite, Conqueror, Courageous, Sovereign, Splendid, Spartan, Superb, Trafalgar, Sceptre, Turbulent and Tireless are waiting in Devonport dockyard for recycling. The demonstration project on Swiftsure in Scotland is, I believe, paused at present.

We need a long-term solution so that we can safely dispose of our nuclear legacy, ensuring that, when new submarines are brought on board, we as a nation deal with the legacy of previous ones. We must ensure that the people of Plymouth and Rosyth do not have an indeterminate uncertain legacy in their dockyards without knowing what will happen to them in the future. This topic is being raised on the doorsteps in Plymouth, and although it only affects two places across the country, it should affect all of us in how we deal responsibly with the legacy of our armed forces.

I agree with all the remarks that the hon. Member for Glasgow South West (Chris Stephens) made about our shipbuilding strategy. We must have clear investment in that strategy, and the House should be firmly opposed to building the solid support ships abroad. The tonnage of those ships would equal that of the carrier programme, and we have demonstrated that the carrier alliance model works. As the RFA ships might not be armed but will be carrying munitions, the Government should determine that there will be a restricted tender for security and defence reasons, so that the long-term contract is provided to a UK facility.

Chris Stephens: Does the hon. Gentleman agree that if these ships are procured internationally there will be serious consequences for the UK shipbuilding industry?

Luke Pollard: Yes. The protection of our sovereign defence capability to both build and design must be preserved not only in naval matters but, as my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) said, in the Air Force as well. We must make sure we have a clear strategy and a clear plan to deliver on protecting the vital, high-skilled jobs in the UK that will preserve our unique role in the future.
This debate was too important to miss. I would have liked to see more Members present, and I encourage the Minister to follow the suggestion of the hon. Member for North Wiltshire (James Gray) and hold defence debates in Government time. It is not only Members who have served or have a military establishment in their constituency who should voice their view on this; the whole House should understand the importance of the defence of the realm, how precarious the international situation is at present and how vital it is that Labour, SNP and Conservative Members speak with one voice—[Interruption]—as must Liberal Democrat Members and others. We must speak with one voice in backing our troops and armed forces. We need a long-term plan with long-term funding so that we can provide the certainty and clarity our armed forces, the civilian contractors who work with them and our veterans need.

3.24 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to speak in this House on any issue, but defence is an issue in which I have a particular interest. I congratulate the hon. Member for Gedling (Vernon Coaker) on securing the debate and on putting forward a detailed, succinct, balanced and informative case for us all to support. I am pleased to be a signatory to the motion, and it was a pleasure to appear before the Backbench Business Committee with him to ask for the debate. I never doubted for a second that the interest in this subject would be enormous, and of course it is.

I should like to thank all right hon. and hon. Members who have spoken in the debate, some of whom have served in the armed forces. It is always a pleasure to listen to the words of wisdom of the Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis), when he gives us his knowledge and expertise. We are grateful to have benefited from that knowledge and expertise today as well.

I should also like to thank the gallant Members who have served in uniform. I hope that the Under-Secretary of State for Defence, the right hon. Member for Bournemouth East (Mr Ellwood) will not mind my saying that we are immensely impressed by him, and not only because he has served in uniform. We have not forgotten the occasion last year on which his particular qualities shone out. I can honestly say that I think about that occasion often, and I know that others in the House feel the same. I should like to put on record my thanks to the Minister for that. I hope the message is coming through from all Members here that we want to support him. Others have already said this, but I repeat that we want to strengthen his hand to enable him to do that. He and his colleagues—a number of whom have given gallant service in uniform, and of whom we in this House are rightly proud—must begin the much-needed process of rebuilding our defence and security capacity for the role that we must play in world and European affairs post Brexit. We need our armed forces to be ready and able to deal with the hard-power challenges of the 21st century, not just fit to engage in soft diplomacy and, if I may say so gently, shadow boxing.

On 11 November 2018, we will pause and reflect on the centenary of the end of the first world war. The history books tell us that it was the war to end all wars, and 100 years on we have an army smaller than that which we had at the advent of the first world war. We know all too well what happened to that British Expeditionary Force: defeat followed by retreat and then entrenchment. We did not learn, because by 1938 we had once more hollowed out our armed forces and chosen to ignore the real existential threat of an ambitious expansionist enemy. Once more, we met with defeat and retreat, culminating in the Dunkirk evacuation, five years of hard-won battles and losses, and the loss of hundreds of thousands of our finest young men and women. We are at grave risk of setting the same conditions
again. We risk ignoring threats from all around us: under the sea, on the surface, on land, at home and abroad, in the air and in cyber-space. Returning jihadists, dissident republicans, Russians, ISIS, Iranians, North Koreans and home-based cyber-terrorists all present us with a problem.

We continue to pursue the disingenuous process of so-called security and defence reviews and—I do not mean this unkindly—we have to and should ask questions. Defence reviews are nothing more than budgetary exercises where we suspend reality, forget the past, ignore the present and dilute the future to reverse-engineer the military into a smaller fiscal envelope. The warning signs are all around us. There are doubts about whether the Royal Navy is able to put its Type 45s to sea. We have aircraft carriers with no aircraft, and helicopter carriers are sold off before they can be replaced. The fleet cannot be fully manned, and less than a third of it is at sea. The Royal Marines do not have the amphibious capability to get ashore. Contrast that with the taskforce that we sent to recapture the Falkland Islands in 1982. Can the Minister offer any reassurance that we could emulate that today? Others have said that it would be impossible. I do not say that, but it would be much more difficult.

The Army gets smaller and smaller by the week. Reduced recruiting targets are still not met, equipment promises are reneged on, fleets are cut to the core and, as others have said, housing is in disrepair. Training budgets have been slashed and overseas training areas have been closed or restricted. The long-promised Army Reserve experiment is still in the test tube. I have been privileged enough to be on the armed forces parliamentary scheme for several years, and I have been on the Army scheme for the three years. We get the chance to speak to Army personnel, to officers and to families, and we are well aware of the problems. I praise the hon. Member for North Wiltshire (James Gray) for his role in the scheme, because he enables many of us to participate in it, and we can learn more and become more knowledgeable in the House.

I do have some good news, however. I cannot speak about it much more than generically, but I understand that the Government and the Ministry of Defence have confirmed that they will increase the number of reserves in Northern Ireland. We are at 95% of capacity, and we want to grow, so we have asked for that and the Government have responded. I also understand that some capital spending is coming through, which we welcome.

I heard the Chief of the General Staff trying to explain the frankly bizarre decision to abandon stable branding on TV, to which the hon. Member for Gedling referred, and a hard-won ethos in pursuit of fleeting fashionably politically correct soundbites and millennial tastes. He said that the traditional recruiting cohort that the Army would usually draw upon is 25% smaller, but the fact is that the Army is 33% smaller, so we have missed a target there as well. The plain and simple fact is that we need an Army that is able to engage with and defeat the enemy, with bayonets or bare hands if needs be. It is a horrible image and an awful thing to imagine, but that is the gritty and enduring reality of what we are asking our young men and women on the frontline to do.

Our Air Force is also in a perilous state. I am serving for the RAF on the AFPS this year, and we get to know such things. We talk to the officers and other personnel, and we see the realities. The RAF suffers from chronic underfunding, undermanning and an ageing fleet of aircraft. The Tornados, for example, have now had more upgrades and life extensions that most. The reduced Typhoon fleet has much to admire, but it has not proved itself to be the answer to the multi-role, multi-platform challenge that it needs to meet, and it is now regularly overmatched by aircraft from potential aggressors. Closing that gap will be a challenge for the joint strike fighter programme. I hope to be proved wrong, but I fear we will never again be able to conjure up the battle of Britain spirit that has come to define us in our darkest hours.

The House will be glad to hear that all is not lost. The opportunity to intervene and address this difficult situation has not yet passed us by. This debate is a step on the way, and it will strengthen the hand of the Minister and the Secretary of State in ensuring that the Chancellor finds a pot of gold at the end of the rainbow, or whatever it may be, so that we can fill the gap. The United Kingdom will once again take its place on the global defence and security stage, stepping out from the shadow of the European common security and defence policy. We need to express a clear and bold statement of intent about who we are and what we stand for. We need to invest in our armed forces by putting our money where our mouth is, as befits our UN P5 status. We need to step up to the plate as the second senior partner in NATO and give a much-needed lead to other members who draw their inspiration from us.

Yes, health and welfare remain this nation’s priority, as they should, and spending priorities reflect that. However, Defence has been playing second fiddle or, more accurately, third flute to other Departments for too long—we are well aware of the third flute in Northern Ireland. We do not want to be a third flute when it comes to defence. We want to be more than that, so we gently and respectfully look to the Minister.

The House must cease to be supine on matters of defence and security spending. The Government cannot continue to degrade our armed forces while we turn a blind eye. Hope and good fortune are simply not good military expedients, and we have become over-reliant on the world behaving broadly in our favour.

I take this opportunity to plug a book to book readers. If Members have not read it already, they should make it their business to get “2020: World at War” by a friend of ours, Kingsley Donaldson, who has an experienced and knowledgeable point of view on where we are on defence.

Taking Northern Ireland as a simple case in point of a wider malaise, in 1979 thousands of men and women were serving full time and part time in the Ulster Defence Regiment, in which my right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson), my hon. Friend the Member for East Londonderry (Mr Campbell) and I served. We will never be able to recover that capability because of the cuts to the Army, the Ministry of Defence and the Home Office have anything like the capacity or capability to deal with resurgent terrorism of the scale we lived through in the troubles, as the hon. Member for Caithness,
Sutherland and Easter Ross (Jamie Stone) said—he is well aware of it from his family connections in Northern Ireland.

In regular recruiting, Northern Ireland furnishes two armoured regiments—the Queen's Royal Irish Hussars and the 5th Inniskilling Dragoons—the Irish Guards, two battalions of the Royal Irish Rangers and an infantry training depot. Six Regular Army units are permanently garrisoned in Northern Ireland. There are Navy ships on station in Carlingford, Belfast lough and Foyle, air stations at Ballykelly, Aldergrove, St Angelo and Bishops Court, and thousands of servicemen and women across the Army, Navy and Air Force.

Over the years Northern Ireland has provided thousands of reserves to the Army, Navy and Air Force. We have two Territorial Army infantry battalions, a Royal Armoured Corps regiment, an artillery regiment, an engineer regiment, a signals regiment, transport units and two field hospitals, as well as Royal Naval Reserve and Royal Auxiliary Air Force units.

There are many talented young men and women in Northern Ireland of all ethnic diversities and social backgrounds who would make excellent recruits to our armed forces. I am a spokesperson on reserve force and cadet organisations in Northern Ireland, and I commend the Minister and his Department for their work with the cadets. We are growing the cadets in all capacities and across all communities in Northern Ireland, which is an indication of where Northern Ireland is going. Northern Ireland could go further if we get the opportunity.

I say gently to other Members—this is not a game of one-upmanship—that educational attainment standards across Northern Ireland are much higher than in the equivalent armed forces recruitment hotspots in Scotland, northern England and the midlands. I welcome the commitment of the Minister and the MOD to increase the number of TA and reserve forces.

Wellington, one of many famous Irish soldiers, famously commented that more than a third of his Army at Waterloo were Irish. Four of the nine Victoria Crosses awarded to the British Army at the Somme on 1 July 1916 were won by Ulstermen of the 36th (Ulster) Division. The British Army generals who orchestrated the eventual allied victory in world war two included many notable Ulster connections among them: Field Marshals Alan Brooke, Alexander, Auchinleck, Dill and Montgomery; and Generals Cunningham, O'Connor and Ritchie. Indeed, Churchill said of Field Marshal Alan Brooke:

“When I thump the table and push my face towards him what does he do? Thumps the table harder and glares back at me.”

He also said:

“I know these...stiff necked Ulstermen, and there is no one worse to deal with than that.”

I am not sure we are all that bad, Madam Deputy Speaker, but we do not take being told off too easily. That came from such a national hero as Churchill, so what greater epithet or encouragement do the Minister and his colleagues need to get on the front foot, starting with defence money? We need to invest in our rich source of martial fighting spirit, dogged determination, moral courage and fearlessness. Those are the characteristics of our armed forces that we need, whether it be in fighting floods, defeating ISIS, keeping our islands and dependent territories safe, policing the seas and skies, or just supporting our allies’ efforts.

I am very conscious of the time, Madam Deputy Speaker—[Laughter] I have just realised, and I apologise. I wish quickly, however, to commend the charities that work in my area, including SSASA, which does tremendous work. I do a coffee morning with it once a year and we have raised almost £30,000 over the past six or seven years, so we have done very well, as have the people of Newtownards and the district. I should also mention Combat Stress and Beyond the Battlefield, another organisation that reaches out to people that other charities may have missed.

It is clearer than at any point in the recent past, certainly since 1979, that our armed forces are in a perilous state. We must stop that rot. A bare minimum of 2% of GDP will not keep pace with rising inflation, so standing still is not an option. I well understand that the Minister wants to see the spend increasing, and we are behind him in making sure that that happens. It is time we reconsidered the funding priority for defence and placed greater importance on the assets that are at the core of the values of our nation. We need to distance ourselves from these reductionist security and defence reviews, and instead look at funding programmes that match our ambitions for our global status post Brexit. To do otherwise is to leave us vulnerable to our enemies and incapable of defending ourselves, never mind assisting our friends and allies, and certainly not fully able to answer to our responsibilities in NATO and the UN. Thank you for your patience and your indulgence, Madam Deputy Speaker.

3.42 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): I suspect you may agree, although you would never be ungracious enough to say it, Madam Deputy Speaker, that sometimes debates in this place can go on a bit. But we have heard a genuinely informative and at times inspiring series of contributions today, and it has been a pleasure to sit through and listen to the debate, almost in its entirety. I, like perhaps one or two others, may not have the privilege of winding up a debate any time soon from the Front Bench, so it is a privilege to be the last speaker from the Back Benches in this debate.

Mr Sweeney: Almost.

Madam Deputy Speaker (Mrs Eleanor Laing): For the avoidance of doubt, there is still one hon. Member to come and I have not forgotten him.

John Woodcock: Who could ever forget him? I say to my hon. Friend that I am terribly sorry—I had not seen him back there.

Let me just add a few thoughts on the threat we face, the budget constraints and personnel issues to the many cogent points that have been made in this debate. First, let me say that it is truly extraordinary that this country is in a position where the Ministry of Defence is locked in a battle with the Treasury and we are talking about desperately trying to save vital capabilities such as our amphibious capabilities, the size of the armed forces and so many others. We are scraping merely to maintain things at their existing level, when we have heard so often and it is so obvious that the threats we are facing are expanding.
Russia has been mentioned many times in this debate. The scale of the threat posed by President Putin's expansionist regime is not spoken about nearly enough. It is not mentioned nearly enough that, for the first time since the second world war, part of a European nation has been annexed by another European nation by force. That has almost fallen off the public and political agendas, yet it has happened and it will happen again, unless countries such as the UK can wake up to the scale of the threat we face. The values that we all hold dear are potentially in mortal danger. In an act of terrible complacency, we seemed to believe that the post-cold war consensus had settled those values for good, but they are being eroded. Even now, we are not prepared to understand the scale of the peril they are in.

We have an expansionist Russia, and we have, potentially, a similar mortal threat to our country and our values from the evil ideology of which the latest encapsulation has been Daesh. Although that organisation is crumbling, that ideology will certainly resurface in other forms. Part of the investment that this country makes to combat that ideology will extend far beyond the MOD's capabilities, but we have seen its capacity to cohere around a capability that can control a state for a certain amount of time.

If we look just beyond Daesh's first foothold in Iraq, we can see how in Syria our complacency about tackling Daesh and the perversion of Islam that it represents has mingled with our complacency about the threat posed by Russia. As has been well articulated not only today but in a Conservative Member’s question in Prime Minister’s questions this week, that has gravely diminished the UK’s standing and put a question mark not only over our capability to intervene if we wish, but over our willingness ever to do so, despite the fact that our values are threatened.

We have those two weaknesses coming together, as epitomised in Syria. We do not know what the future of the European Union will be after the UK leaves, but we have drawn a red line in respect of areas of future co-operation, so we must have our own capability outside the EU. America is retreating into itself. Aside from the monstrosities of President Trump’s regime, we simply cannot rely on America coming to the aid of our values in Europe.

Mr Seely: I do not disagree with the hon. Gentleman’s point—I do not like President Trump any more than he does—but in the US it is an Administration, not a regime. There are regimes in Cuba and Russia, because their democracies are questionable. I know that some of us do not like the American Administration, but it is an Administration, not a regime.

John Woodcock: It is, and let us hope it is a one-off. I cannot remember who made this point earlier, but there has been a real question mark over the US’s enduring willingness to engage around the world that dates from before the current Administration. The fact that we can have someone such as President Trump shows that our complacent reliance on the Americans must go forever, even if—God willing—we get someone we can actually trust with the nuclear button in the future.

We have this budget process whereby we have to plead for even current levels of defence spending to be maintained. Let me say another thing on that—this has been mentioned by a number of people. In fact, this is the first time that I can recall agreeing so substantially with Scottish National party Members on an issue—I am sorry to have to break that to them. It must be the case now that the Government act to take the Dreadnought programme out of the Ministry of Defence’s budget and deal with it through the Treasury reserve. I was privileged to be an adviser to the previous Labour Government for a number of years. I remember quite clearly the agreement that the then Defence Secretary, now Lord Hutton, reached with the then Chancellor, now Lord Darling, over restoring what had historically been the position that the nuclear deterrent would be treated outside the MOD’s budget. It was a grave act of complacency by this Government, which came to power in 2010, to rip up that agreement. While I was waiting to speak just now, I tried to refresh my memory of what happened then. I came across the way in which the then Chancellor, George Osborne, announced it at the time. In justifying the decision, he said:

“All budgets have pressure. I don’t think there’s anything particularly unique about the Ministry of Defence.”

Well, absolutely. As we have heard from so many speakers, the MOD’s budget, with the capabilities that it is defending, is unique. Even if that complacency was justifiable back then, which it was not, it is deeply worrying that we now have another Chancellor who is potentially adhering to that line of thinking, when all the developments in the world since then have shown that, actually, we did not understand the level of threat we were facing.

In conclusion, let me turn to personnel, but in a different sense from that which has been cogently spoken about by a number of Members.

Alex Chalk (Cheltenham) (Con): The hon. Gentleman is making some fair points, if I may say so. Does he accept this one as well? When considering the total amount of money that goes towards our collective national defence, there are a number of pots, particularly in so far as they affect the intelligence services, which are especially important in terms of waging war in cyber-space, that are not necessarily taken account of within the £36 billion of the defence departmental expenditure limit, and that must be taken into consideration when looking at this in the round.

John Woodcock: I would be interested in discussing that matter further with the hon. Gentleman. I am not sure whether I accept that point. The whole point of this is that we are talking about very difficult decisions, and I do not envy the Ministers on the Front Bench. We are shifting around money from an overall pot, which is just woefully, woefully inadequate.

Let me talk about personnel. First, locally, I was saddened to see the departure from Barrow shipyard of Will Blamey after only a few months in the job. I wish him very well. I know that he has a big contribution to make in the future and, hopefully, that will be in the field of the strategic defence of our realm. I welcome Cliff Robson as the new managing director. I say that not just to get it on the record, but to make the point that the challenges facing our submarine programme must not be all put at the door of the good men and women at Barrow shipyard.

There has been a level of mismanagement of the submarine programme as part of the suboptimal management of the entire defence equipment programme,
and it may be reaching a critical point. It is not acceptable for the Government to lay blame at the door of people who are doing extraordinary work for the defence of the realm. Opposition Members will not allow the Government to get away with that. The Government are currently seeking to starve our future capability of the vital equipment budget, which is not great at the moment, but it is now vital in order to create future capabilities so that we can continue in the business of building submarines.

My final point on personnel relates to the ministerial team here. I am really glad to see the Minister in his place. From the fact that he kept his job in the reshuffle, I take it that he has been given the assurances he sought that the Army will not recede any further. I look forward to him making that clear in his winding-up speech. I welcome the new Minister for defence procurement, who comes in at a critical time. I hope that Opposition Members will be a constructive force in helping him to meet the challenge of arguing for greater resources and ensuring that they are properly spent. Let me finish on the Secretary of State, who is not a man I knew a great deal about. In fact, I get the sense that he is not a man that many in the armed forces knew a great deal about before he took his job. I look forward to working with him constructively, particularly on the future of the submarine programme.

This is a time for seriousness—for serious people and people who are able to establish a grip over their roles. In various roles, I have briefed a newspaper occasionally and ended up with a story, sometimes in The Sun and sometimes in the Daily Mirror. But I have looked at the way in which the Ministry of Defence has been run over the past couple of months, and, although I welcome the fact that the Secretary of State has apparently intervened directly to save some military dogs and is personally cutting down on the Chancellor’s ability to use military flights, I question whether this shows that he is spending sufficient time ensuring that our equipment programme is up to scratch in a way that will be effective for the nation. He still has a window of time in which to prove himself, but he needs to do so in short order.

Dr Julian Lewis: It is very kind of the hon. Gentleman to give way at this late stage. May I just say that I, for one, want to give the new Secretary of State the benefit of every possible doubt, because what we need at this moment in time—the debate has really brought this out—is someone who is going to have a bare-knuckle fight with the Treasury to get the money we need for defence? The fact that he may not have much of a background in defence is not the main issue. The main issue is whether he will fight for money for defence and whether he can win that fight.

John Woodcock: It is, absolutely. I suppose it remains to be seen whether the tactics he has so far adopted continue and are effective. We will be as supportive as we can in ensuring that that is the case. I wish that the Secretary of State were here so that I could say this to him in person. I do not know what his other commitment is, but this has been a really important debate with many important contributions, and he would do well to listen to what has been said this afternoon by colleagues on both sides of the House.

3.59 pm

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Thank you, Madam Deputy Speaker, for the opportunity to contribute to this magnificent debate in which we have heard a series of robust, resilient and passionate contributions, not least from my immediate predecessor in speaking, my hon. Friend the Member for Barrow and Furness (John Woodcock). He represents a fine shipbuilding town that has a critical stake in the future of the defence equipment programme.

I think it is fair to say that there has been consensus, and that it is a source of great dismay, among everyone present today that every year of this Government has seen a steady decline in defence spending as a percentage of GDP, from 2.4% in 2011 to 1.9% in 2016. Not only has it declined in every year of this Government, but it is lower than in any year of the previous Labour Government. Those figures, damning as they are about the Government’s real commitment to defence, belie the true criticality of the situation. A letter published by former defence chiefs during the general election last year called the 2% target “an accounting deception” and added: “Most analysts...agree core defence expenditure for hard military power is well below 2%.”

Not only is real defence spending well below the purported 2% target minimum, but its effective purchasing power is being eroded year on year; as many Members will know, the defence rate of inflation runs well above the national rate. In 2015-16, for example, the defence inflation rate was 3.9%, the highest since 2010, while the national GDP deflator was just 0.8%. That relentless pressure on defence resources explains the litany of cuts stemming from the 2010 and 2015 strategic defence and security reviews. Most notable in its absurdity has been the scrapping of the Nimrod MRA4 programme mere months before it entered service, squandering £3.4 billion and leaving the UK with no maritime patrol aircraft for at least a decade.

In recent months, the Army has been cut by a fifth, wages have been frozen for a sustained period and no Royal Navy ships have been on patrol in international waters over Christmas for the first time in history. That is an absurdity and a really depressing situation. We continue to see the playing out of chaotic and wrong-headed thinking on procurement of defence, most notably in the recent national shipbuilding strategy. Yesterday, I had the privilege of chairing the latest meeting of the all-party parliamentary group on shipbuilding. We heard further testimony about the urgent need to improve key elements of the strategy if we are to achieve the best effects possible for our national shipbuilding sector.

Key themes seem to be emerging from the ongoing process of discussion with key stakeholders in industry and in the defence community. The national shipbuilding strategy must both define and outline measures to safeguard key industrial capabilities. It is breathtaking that the strategy has taken no steps to define the minimum sovereign capabilities that we need to sustain as a nation in the shipbuilding industry or to prescribe how we achieve and sustain those capabilities.

The strategy must also commit to investment that will ensure that those key industrial capabilities, once defined, are modernised to be world class. That was the case under the previous defence industrial strategy created by the Labour Government in 2005; it designated that the Clyde shipbuilding industry would be the key deliverer of the nation’s complex warships and prescribed a solution that would allow that industry to become world class by developing what was called a frigate factory or modern dock facility. That would deliver an integrated, consolidated
site achieving the efficiencies necessary to deliver the defence capability for the Navy at an effective value for money cost.

We also recognise as a result of this process that a distributed block build strategy as defined by the national shipbuilding strategy is not suitable for frigates such as the Type 31E as it will actually drive up unit costs to manufacture; they would best be built in that consolidated world-class facility, with the benefits from learning curves and efficiency from integrated production. The national strategy must also recognise clearly that there is a huge opportunity for that distributed block build strategy in the next tranche of royal fleet auxiliary ships to be procured: the three fleet solid support vessels with a displacement of 40,000 tonnes—a scale suitable for such a strategy. No one site in the UK would be capable of building such a ship alone. That is the key opportunity: to use that distributed block build strategy to sustain shipbuilding capacity across all the multiple sites in the UK and maintain the resilience of the defence supply chain. I would like to insist that the Minister consider applying the treaty on the functioning of the European Union article 346 protection in the case of the new solid fleet support ships to ensure that there is a UK-only competition to build those new complex royal fleet auxiliary ships.

Mr Seely: I am interested in what the hon. Gentleman says as I have the same problem. Does he agree that, as well as having shipbuilding as a core strategic industry, we need to keep radar capacity in my constituency and others? We need radar demonstrators to ensure that we continue development of radar in this country for those ships in the next 50 years.

Mr Sweeney: I thank the hon. Gentleman for that excellent contribution. What he says is absolutely critical. When we think of shipbuilding, we often just consider the hull of the ship. However, when we see a ship launch into the water for the first time, we are seeing perhaps only 8% of the value of the overall project, even though structurally it looks like much more. The real value is in the ship as a platform for multiple other high-value defence capabilities. A good example is the multi-function SAMPSON radar. It is manufactured on the Isle of Wight and constitutes a large share of the overall cost of the Type 45 programme. That is where we need the pipeline of capability: not just in the front-end shipbuilding capability, but in the second and third-tier supply chain.

Our RFA capability provides an opportunity to pump-prime our national shipbuilding capability. According to the latest figures compiled by the Fraser of Allander Institute at the University of Strathclyde, shipbuilding on the Clyde alone contributes £231 million a year to GDP in the UK and—critically—generates, in addition, a multiplier of £366 million a year across the wider defence supply chain. That includes the facility in the constituency of the hon. Member for Isle of Wight (Mr Seely). It is critical that we use the national shipbuilding strategy to involve that wider supply chain and so maximise the value to the UK economy.

The all-party group on shipbuilding and ship repair yesterday discussed how we gave the contract for the latest fleet support tankers to Daewoo Shipbuilding and Marine Engineering in South Korea. The cost of building them there was equivalent to the cost of building them in the UK, but the price the South Koreans offered was considerably lower than any UK shipbuilder alone could have offered. In effect, the South Korean taxpayers are subsidising the British MOD to build its ships for it. Why on earth would they do that if they did not recognise that it is a major industrial opportunity for them? Surely there must be an opportunity for the South Koreans. They would not do it simply out of generosity or altruism; they are doing it because they recognise that it is a core part of their defence industrial capability and national industrial strategy. Perhaps we ought to take a leaf out of their book by having a more active industrial strategy when it comes to defence and including those RFA ships.

There is a further issue in the national shipbuilding strategy: the financing, particularly of complex warships. My hon. Friend the Member for Barrow and Furness mentioned that the previous Chancellor of the Exchequer described defence as no different from any other Government Department when it came to capital expenditure. I take issue with that, as I am sure do many other Members. Defence is unique when it is commissioning complex warships such as the Type 26 and the new deterrence submarines. These two vessels alone constitute two of the most complex engineering projects every built by mankind. They are huge national, generational programmes. The idea that they ought to be constrained by in-year spend profiles is absurd, because it militates against the efficiency of the programmes. They are not managed in the same way as, say, the Olympic games, the High Speed 2 programme, Crossrail or any other large-scale infrastructure project. They are arbitrarily constrained by Treasury limits on annual spending. It is critical that we change that—this is a cultural thing in the UK—if we are to achieve the best opportunity for defence. That has to be tackled on a cross-party basis.

When I worked at BAE Systems, innovations for the Type 26 programme, which included changing to spray-on insulation, using LEDs and replacing non-structural welding with adhesives, were constrained because the MOD was not willing to adapt and innovate and apply new standards to its shipbuilding programmes. That demonstrates that it is the customer that is sclerotic in its approach to innovation in new programmes. It drives costs into projects and militates against innovations that would save costs in the long term. Those short-term constraints cast a long shadow through the life of the programme and build in an overall cost.

That is the reason for the attrition we often see in programmes such as the Type 45—originally 12 ships were meant to be built; that was cut to eight; and finally six ships were built. There is an optimism bias at the start, followed by annual constraints on spend and a structural rigidity built into the programme that fails to adapt as it goes forward and innovate with new products as new technologies emerge. That approach also insists on arbitrary competition in the supply chain, when actually long-standing relationships can be established there—for example, with gear box manufacturers and engine builders—that can ensure a commonality of approach and adaptability and enable ships to be built more efficiently. A year-zero approach for every programme duplicates costs and adds complexity that could easily be avoided.
All that ought to change. We have a huge opportunity. We have seen the bigger picture. The root cause is the relentless decline in defence spending as a share of GDP. The Chair of the Defence Select Committee mentioned that it has halved as an overall percentage of national wealth in the last two decades or so since the end of the cold war. That is the root cause, but we could certainly provide mitigation in the meantime by more efficiently managing the remaining resources we do receive and managing our defence equipment programme in a more resilient and innovative way.

Hopefully I have presented some practical opportunities to improve the national shipbuilding strategy that can help us to achieve a future fleet of the scale and capability that we need to sustain British military power around the world in the coming decades. I look forward to the Minister offering his view on that.

4.10 pm

Stewart Malcolm McDonald (Glasgow South) (SNP): This is one of the few debates in the House that has been not only extremely well mannered, but extremely well informed by Members from all parts of the House. I cannot single out any of them, but I want to mention the typically well-informed duo who make up the chairs of the all-party parliamentary group for the armed forces, the hon. Members for Stoke-on-Trent North (Ruth Smeeth) and for North Wiltshire (James Gray). Of course, the Chair of the Defence Committee gave an incredibly thoughtful speech.

Despite the brief diminution in consensus, I will single out the hon. Member for Moray (Douglas Ross), who spoke incredibly proudly of his constituency and its long, historic connections to the armed forces. He will be glad to know that I will be returning to the issue of tax, which I will be very pleased to do.

In the short time he has been here, the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) has shown himself to be a force to be reckoned with in defence debates. I even found myself hear-hearing at the end of the speech by the hon. Member for Barrow and Furness (John Woodcock), which is possibly a first for an SNP Member and is making him visibly nervous as I finish this sentence. Of course, it is a pleasure to follow my friend, the hon. Member for Glasgow North East (Mr Sweeney). Of course, there were also excellent speeches from the SNP Benches by my hon. Friends the Members for Glasgow North West (Carol Monaghan), for Glasgow South West (Chris Stephens) and for West Dunbartonshire (Martin Docherty-Hughes).

I really do want to single out the hon. Member for Gedling (Vernon Coaker), who secured the debate. His opening speech was a forensic, thoughtful, blistering, sobering and eye-opening contribution on the state of defence and the armed forces and on the challenges we face now and will face in the future. The House is much better informed as a result of his securing the debate today. As he mentioned, it comes in the context of international threats from Russia, North Korea and an extremely unpredictable incumbent in the Oval office in the United States; new threats in relation to cyber-security and cyber-defence; and a boisterous Russia, which seems to have been in our waters on an almost weekly basis over the past few years.

Following the reshuffle, Defence is Whitehall’s only all-male, all-white Department. The one woman who was a Minister there was replaced by a man. I make an appeal to the Prime Minister, which perhaps the Minister on the Treasury Bench, who knows that I respect and like him, can take back: why can we not have the promotion of the hon. Lady sat behind him, the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan)? She would not only make a fine Minister, but bring a new sense of dynamism and youth to that extremely male-dominated Department. I fear that my endorsement may have the opposite effect. [Interruption.] The kiss of death, I hear. In the week when the Army launched its diversity recruitment campaign, the one woman who sat in the Ministry of Defence as a Minister was moved elsewhere. So much—[Interruption. So why not promote another woman to replace her instead of a man? That is the point I make to the House.

I want to look at the condition and state of the armed forces and illustrate what has been mentioned in the debate. Let us start with the Army, which is smaller than at any time since the Napoleonic wars. I will speak about terms and conditions, starting with the issue of pay. Because inflation is about 3%, the 1% pay cap is, in real terms, a cut to armed forces wages. It is no wonder that some on the Government Benches are looking at their feet, because I would be embarrassed to come to this Chamber and defend the Government’s record on armed forces pay.

Under the new rates of Scottish income tax, an Army private on a salary of £18,500 will pay less than their counterparts based anywhere else in the United Kingdom. These personnel make up the vast majority of those who are based in Scotland. Those at the higher ends of the pay scale—who, yes, will pay a bit more—make up a tiny percentage. This is a legacy of decades of under-investment in defence in Scotland by the Conservatives and by Labour. Let us look at the increases in context. Under the new SNP tax plans, an Army sergeant will pay an extra £1.44 a week, and a naval lieutenant will pay an extra £2.61 a week.

The hon. Member for Moray, who was so outraged by all this, may wish to take one figure—the average salary in his own constituency. I took the liberty of looking it up just after his speech: it comes in at £22,584. The average taxpayer in his constituency will not pay any more. The frontline squaddie in Scotland is getting money in his pocket thanks to the SNP, while the hon. Gentleman’s party cuts his wages, insisting on a continuous pay freeze.

Douglas Ross: Let me say once again that the net tax will make Scotland the highest-taxed part of the United Kingdom. The hon. Gentleman will have to accept, despite what he says, that anyone in Scotland earning more than £24,000—hardly a high earner—will pay more tax under the SNP plans than they currently do. That is affecting members of our armed forces, who have been in contact with me about it.

Stewart Malcolm McDonald: I am grateful to the hon. Gentleman for allowing me to go over the figures again. An Army sergeant with a salary of about £33,000 pays £1.44 a week more. I think that it is fair to ask them to pay a little more, and entirely fair to ask officers who are earning in excess of £65,000 to pay a little more. Let us bear in mind that the average salary in his seat is under £23,000.

John Spellar: Will the Army sergeant, or member of whichever rank, be paying these tax rates based on where he was born, where he was living when he joined the forces, or where he is based?
Stewart Malcolm McDonald: Where they are based. That is why I said that the squaddies in Scotland will get a tax cut. What we can unite on—the right hon. Gentleman's party; my party; and, I understand, some sympathetic members of the Government party—is that it is time to lift the public sector pay cap, which is affecting serving soldiers.

Patrick Grady (Glasgow North) (SNP): Is it not the case that the sergeant my hon. Friend mentioned will be paying a little more tax will be getting free prescriptions, while their children will go to university for free and their grandparents will get free social care, because that is the social contract that the Scottish Government have with the people of Scotland?

Stewart Malcolm McDonald: They will benefit from many elements of the social contract. Of course, they already receive some of these benefits as members of the armed forces anyway.

I turn to the issue of housing. I was amazed to hear what the hon. Member for West Aberdeen and Kincardine (Andrew Bowie) said. Actually, I should have singled him out because he gave a thoughtful speech. Military housing that I have seen is the kind of stuff that you would not put a dangerous dog into. It is one area where the right hon. Member for Rayleigh and Wickford (Mr Francois)—who is not in his place, unfortunately—sees that the Government really need to put some work in.

On recruitment, as my hon. Friend the Member for Glasgow North West said, we need an urgent alternative to the Capita recruitment contract, which rakes in about £44 million per year over 10 years. It was the right hon. Member for Rayleigh and Wickford who suggested, in his marvellous report last year, that an alternative way needed to be found to fill the ranks. On terms and conditions, let us get our house in order. The right hon. Gentleman has now rejoined us.

I say to Labour Members, in the genuine hope that we can work together on this, that we should get an armed forces trade union Bill before the House. Let us see that separating defence from the amalgam that has been created could be a good thing, by focusing attention on the purely defence aspect, as he acknowledges, and by giving a new Defence Secretary the opportunity to fight and win the battles with the Treasury that need to be fought and won.

Stewart Malcolm McDonald: I am very grateful to the hon. Member for Wiltshire and the right hon. Member for New Forest East (Dr Lewis) appear so optimistic, and I fear they that far, but his central point is right that the MOD needs a plan B. I have been watching with interest the news on Carillion, which made the papers just this morning, and this is a really critical time for it.

I want to talk about capability, and I will do so briefly. We are running slightly ahead of time, but I wish to hear what the Minister has to say. Following the 2015 SDSR, there is a new mini-review, led by Sir Mark Sedwill, as several right hon. and hon. Members have mentioned. The review is looking at both security and defence aspects. My fear, which other Members have adumbrated, is that it is about what the Government can get away with spending, as opposed to what they need to spend given the threats they face.

As the hon. Member for Gedling said in his speech, we learned from a report in the Financial Times at the weekend that the review will now be split. Many of the Members who regularly attend defence debates will recall that the report was supposed to be published, and presumably a ministerial statement would have been made, early in the new year. I would have been charitable and extended that right up to the end of March. We now learn, however, that the defence aspects will be kicked later into the year. I would be grateful to the Minister if he told us in his summing up whether that is the case. The cynic in me does wonder—I am not normally one for being cynical—if this is about getting beyond the local elections in May. I sincerely hope not, because that kind of politics is not on.

James Gray: The hon. Gentleman seems to imply that there is some plot or conspiracy involved in splitting up the security and defence parts of the review. If that is the case, I strongly welcome it, because that means there is a much greater chance that the defence budget will not be cut. If the two parts are announced together next week, the extra spend—on cyber, for example—will come straight out of the defence budget. If he wants them to be announced next week, he is actually speaking in favour of defence cuts.

Stewart Malcolm McDonald: The hon. Gentleman is much more optimistic than me. I have seen just this week, on the European Union (Withdrawal) Bill, how the Government do this kind of thing. They take every opportunity to pull the wool over people's eyes. He need only ask his colleagues the hon. Members for Moray and for West Aberdeen and Kincardine, as well as the rest of the Scottish Conservative intake. We need a proper SDSR that takes account of the fact that we will no longer be members of the European Union, and of the fact that we have had currency fluctuations and the devaluation of the pound. I am in favour of taking more time if we get a more considered outcome, but the cynic in me suggests that that is not what is at play.

Dr Julian Lewis: I hope that the hon. Gentleman will see that separating defence from the amalgam that has been created could be a good thing, by focusing attention on the purely defence aspect, as he acknowledges, and by giving a new Defence Secretary the opportunity to fight and win the battles with the Treasury that need to be fought and won.

Stewart Malcolm McDonald: I am amazed that with their combined experience, the hon. Member for North Wiltshire and the right hon. Member for New Forest East (Dr Lewis) appear so optimistic, and I fear they
are trying to square a circle that cannot be squared. For more than a year, the SNP has called for a proper SDSR to take account of the fact that we are leaving the European Union, as well as the devaluation of the pound and currency fluctuations.

We must also address the nonsense that we have heard about 2% of GDP. The Government do not spend 2% of GDP on defence, and we should not let them get away with claiming that they do. That 2% includes things such as pensions, efficiency savings, and all sorts of things that it ought not to include. [Interjection] I see that you are getting nervous about the time, Madam Deputy Speaker, so I will conclude my remarks and say that I think we should have more such debates on defence in the House. I think we should do that in Government time, and that the Defence Secretary should have turned up to the first defence debate of his tenure. It should not always be up to the Opposition to drag the Government to this Chamber to explain their woeful record.

4.26 pm

Nia Griffith (Llanelli) (Lab): I congratulate my hon. Friend the Member for Gedling (Vernon Coaker) on securing today’s debate. He speaks with great authority and passion on defence matters. I echo the words of the hon. Member for North East (Mr Sweeney), for Barrow and Furness (Jonathan Ashworth), for Stoke-on-Trent North (Ruth Smeeth), for Glasgow South (Stewart Malcolm McDonald), who said that we have heard many considered contributions from my hon. Friends the Members for North Wiltshire (James Gray) for his hard work on that scheme. In Estonia, along with Members from across the House, I saw the vital work being done as part of NATO’s enhanced forward presence there. It is clear that the mission is highly valued by the Estonian Parliament and its forces with whom our personnel serve, as well as by the Estonian people more broadly. This is not just about defending Estonia from potential adversaries; it is about reinforcing NATO’s eastern border and making it clear that NATO stands as one against external threats.

As Britain leaves the European Union, it is all the more important that we dedicate ourselves to the international institutions that have served this country’s interests over many decades, including NATO and the United Nations. Our work with those bodies is a reminder of the huge good that this country can achieve in the world, thanks in large part to the service of our armed forces personnel, be they serving on NATO missions or as part of UN peacekeeping efforts.

I profoundly regret that the last seven years have seen the weakening of our voice in the world, and it must be said that our current Foreign Secretary has not helped. Brexit cannot, and must not, be an opportunity for this country to turn inwards and shirk our international obligations. That includes the responsibility to be a critical friend to our country’s allies when they flirt with pursuing reckless policies that endanger the international order.

One of our foremost international obligations is to spend at least 2% of GDP on defence, in accordance with our NATO commitments. The Opposition are fully committed both to NATO and to the 2% obligations; indeed, we spent well above that figure on defence in each year of the last Labour Government, with defence spending at 2.5% of GDP when Labour left office. I was pleased to hear the new Secretary of State say recently that he regards the 2% figure as a floor, not a ceiling; yet under this Government we have barely scraped over the line, and have come perilously close to missing the target altogether.

As the Defence Committee found, the Government are guilty of shifting the goalposts, in that they are now including in our NATO return areas of spending that were not counted when Labour was in government. The fact is that the 2% does not go nearly as far at a time when growth forecasts are being downgraded due to the Government’s mismanagement of the economy.

The simple truth is that we cannot do security on the cheap, and the British public expect their Government to ensure that defence and the armed forces are properly resourced. With that in mind, I was staggered when the Secretary of State admitted to me at Defence questions that he had not been to see the Chancellor before the Budget to demand a decent settlement for defence. I just wish that he had spent as much time fighting for the defence budget as he appears to spend in briefing the newspapers about rows with the Chancellor and near-scruffles in the voting Lobby.

We know that the Government’s national security capability review is being carried out within the same funding envelope as the last SDSR—that is, there will be no new money. It has now been widely briefed that the Government plan to hive off defence from the review altogether and carry out a separate exercise sometime next year. I should be grateful if the Minister clarified what the format and timetable now are. While we agree that the most important thing is to get the decisions right, this cannot just be an opportunity to kick the issue of funding into the long grass. Nor should the review be used to pit cyber-security against more conventional capabilities. Of course, we absolutely
must develop and adapt our capabilities as the threats that we face continue to evolve, but Britain will always need strong conventional forces, and those include the nuclear deterrent, as the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) will be pleased to hear.

There is considerable concern across the House about possible cuts to our conventional capabilities and to our personnel. We understand that our concern is shared by the Minister himself, who has even staked his own position on preventing further defence cuts. With that in mind, can he rule out once and for all that the Government are looking at selling HMS Albion and HMS Bulwark, and can he confirm that there will be no cuts to the Royal Marines? Those decisions would have a profound impact on the role of our Royal Navy and would limit our ability to carry out operations, contribute to NATO missions and facilitate humanitarian relief efforts, such as the recent Operation Ruman.

There is deep concern about the affordability of the Government’s equipment plan more generally. The National Audit Office has concluded that it is at “greater risk than at any time since its inception.”

We know that the plan was heavily reliant on efficiency savings to make ends meet, but the Defence Committee has found that it is “extremely doubtful” that the MOD can generate efficiencies on the scale required. Alarmingly, the Committee also uncovered considerable confusion between the permanent secretary and the former Defence Secretary over the figures for the projected efficiency savings, so can the Minister now clarify just how much the Department is counting on saving?

We also face a major challenge due to the dramatic slump in the value of sterling—down an unprecedented 17% under this Government. Given that £18.6 billion of the equipment plan is to be paid for in dollars, including the F-35 programme and the Apache attack helicopters, the Government need to come clean about the effect that this Government’s equipment plan more generally. The National Audit Office—wonderfully articulated by the hon. Member for Stoke-on-Trent North (Ruth Smeeth)—pointed out that Government need to come clean about the effect of the Government’s equipment plan, and the £18.6 billion of the equipment plan is to be paid for in dollars, including the F-35 programme and the Apache attack helicopters, the Government need to come clean about the effect that this Government’s equipment plan more generally. The National Audit Office—wonderfully articulated by the hon. Member for Stoke-on-Trent North (Ruth Smeeth)—pointed out that £18.6 billion of the equipment plan is to be paid for.
other like-minded nations in dealing with the threats and challenges the world faces? Should our defence posture be limited to war fighting and defending, or should it include stabilisation and peacekeeping capabilities? With the conduct of war advancing and the battlefield becoming ever more complex, how do we respond to the new threats that the fast-changing technology is presenting?

As reflected in this debate, Britain aspires to act as a force for good on the international stage. We have the means and the aspiration to step forward when other nations might hesitate. That is all the more critical at a time when some nations are ignoring the international rules-based order that we helped to establish and that has served us well for decades, and other nations are adopting a more nationalist approach.

That is why UK forces are currently conducting, and contributing to, operations across the world. We are contributing to defeating Daesh in Iraq and Syria, we continue to help train troops in Afghanistan through Operation Resolute Support, and we are supporting the Ukrainian armed forces by training them in the challenges they face. We are involved in peacekeeping missions in Kosovo, Somalia and South Sudan, and we are training the Libyan coastguard to respond to irregular migration in the Mediterranean and countering piracy off the horn of Africa. HMS Argyll and HMS Sutherland will both deploy to Asia-Pacific this year, and British military personnel will join military training on the Japanese mainland, underlining the UK’s commitment to peace and stability in the region.

The hon. Member for Barrow and Furness (John Woodcock) asked the important question of where this will leave us post Brexit. We will not have an EU membership card in our back pocket, but we remain a formidable force—the biggest force in Europe—and I believe that the coalition of the willing will still step forward to meet the challenges of today, just as when there was an Ebola crisis in west Africa it was us who stepped forward along with other nations that are not necessarily all active members of NATO. The same will continue into the future. It is a question of whether we have the capability and desire to step forward, rather than of what organisations we might or might not be part of.

The versatility of our armed forces is regularly demonstrated when they step forward to help, not just by responding in war-fighting and peacekeeping scenarios but also, as has been mentioned, by responding to events such as Hurricane Irma in the Caribbean, with 2,000 personnel deployed there to provide humanitarian aid and disaster response. Op Tempora is another example of responding, when the security threat at home changes and our police require support, as we saw last year. Our armed forces provide invaluable support, not always seen, to our intelligence agencies, embassies and overseas development efforts, as well as to our police forces and communities, often with little recognition. I know the House will join me in thanking them for their efforts.

This is a big year for the armed forces as we mark 100 years since the end of world war one, and, as has been mentioned, it is 100 years since the founding of the RAF, and we look forward to celebrating that, too.

Conor McGinn (St Helens North) (Lab): I apologise to the House for missing today’s debate, but I and my hon. Friend the Member for Sedgefield (Phil Wilson) were on a visit to RAF Odiham with the armed forces parliamentary scheme. Will the Minister join me in praising the work done at that station both at home and abroad, notably in the alleviation of the destruction caused by Hurricane Irma last year? Does he also agree that the Chinook is a very versatile, robust platform and we should ensure it continues long into the future?

Mr Ellwood: I welcome the hon. Gentleman to the debate, and it is a pleasure to join him in paying tribute to RAF Odiham and all the RAF bases and the work the RAF does; this is going to be a fantastic year for the RAF. I encourage all Members to talk to their local authorities and ask what they might be doing to mark Armed Forces Day on 30 June this year. This is a great opportunity for us to make sure the nation and our local communities can celebrate what our armed forces do.

Mr Francois: I thank my right hon. and gallant Friend for giving way, and, like many others in this House, I am delighted that he remains in his place. I read his cogent article in The Sunday Telegraph about the many roles our armed forces perform, including in maintaining the economic wellbeing of our nation, not least as 90% of our trade comes by sea. Will he say something about the importance of that before he moves on to talk about equipment?

Mr Ellwood: I would be happy to do that. We perhaps take for granted how open our economy is, and how we require the freedom of the seas to ensure that we can trade and attract business here. There is now an entwined link between security and our economy, and we forget that at our peril. My right hon. Friend reminds us of this powerful point.

My hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) went through a comprehensive list of our equipment. I feel that he must have copied my list! I will simply underline the fact that we have some amazing bits of equipment coming through as a result of our pledge to spend £178 billion. The aircraft carriers have been mentioned, as has the F-35B, of which 14 have now been delivered. We have heard about the Type 26, and we have had a good debate about the Type 31. We have also heard about the River class, and the Dreadnought programme is coming on line as well. In the Army, we have the Ajax armoured fighting vehicles; these were Scimitars and Samsons in old language, if my hon. Friend remembers them. In the RAF, we have the upgrade of the Typhoon, and the F-35 fifth-generation fighter is joining our armed forces as well.

Much of this debate has focused on expenditure. As has been mentioned a number of times, the Defence budget is £36 billion this year. We hold the fifth largest Defence budget in the world. The Government have made a commitment to increase this by 0.5% above inflation every year of this Parliament, so it will be almost £40 billion by 2021. The Secretary of State has expressed the view strongly in public that the capability review is a priority for the Ministry of Defence, and he will shortly outline in more detail the process of how we will move forward. The capability review was brought about because things had changed since the SDSR in 2015. We have had terrorist attacks on the mainland, and cyber-attacks, including on this very building. We have also seen
resurgent nations not following international norms. It was rightly decided that this necessitated a review, to renew and reinforce our commitment to the UK's position as a force for peace, stability and prosperity across the world.

James Gray: I am glad to hear that the Minister is taking the capability review so seriously. I want to ask one simple question. If the review comes to the conclusion that more defence spending is required, where will that extra money come from?

Mr Ellwood: My hon. Friend makes an important point. As I have said, it is for the Secretary of State to spell that out in more detail, and that will happen shortly, but that is the big question that we must ask ourselves as fiscal, and responsible, Conservatives. The money must come from somewhere, which is why we cannot simply rush in and say that it will be provided. The details need to come through, and I hope that we will hear more details from the Secretary of State in due course.

It is clear from the contributions that we have heard today, and also from the world around us, that the world does not stand still, and nor should we. We must be sure that we possess the right combination of conventional and innovative capabilities to meet the varied and diffuse threats that I have outlined. We must also retain our long-standing position as one of the world's most innovative nations, and do more to harness the benefits of technological progress and reinforce our military edge. I can assure the House that the Ministry of Defence has no intention of leaving the UK less safe, or the brave men and women of our armed forces more vulnerable, as a result of this review.

Dr Julian Lewis: Will the Minister give way?

Mr Ellwood: I will in a moment.

The House is well aware of my position on the size of the armed forces. I want to see the UK maintain its long-held military edge and its enduring position as a world leader in matters of defence and security. The Ministry of Defence and the Government as a whole share my ambition. I should also like to address the involvement of Ministers, and indeed generals and others in uniform, in the process. This has been run not just by the permanent secretary but by a team of generals. That point was touched on by the Chairman of the Defence Committee, and I give way to him now.

Dr Lewis: The Minister has just said that we will not be left more vulnerable. On 25 January last year, the then Defence Procurement Minister wrote to me to say that she could reassure me that the out-of-service dates for HMS Albion and HMS Bulwark remained 2034 and 2035 respectively, and that their roles remained vital. Surely that rules out the scrapping of those ships. They are there to support our brave armed forces as they make the transition into civilian life. It is an excellent bit of work, and I recommend that all hon. Members look

Mr Ellwood: I am grateful to my right hon. Friend. I want to ask one simple question. If the review comes to the conclusion that more defence spending is required, where will that extra money come from?

Mr Ellwood: The right hon. Gentleman is trying to pre-empt the capability review and what will follow. All I can ask for is patience, because the answers will be forthcoming.

Turning to a couple of other contributions, this has been a tough time for recruitment and retention, and we should be honest about the challenges, something which my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois) studied in detail in his report. Nevertheless, I am pleased to say that recruitment is moving forward. We do have to change our approach, and we need to recruit specialists as well, because the art of war is fundamentally changing. The requirements for what is needed on the battlefield mean that we should not necessarily have to train somebody from start to finish. It may be easier to have somebody with the technology, understanding or detailed knowledge instead. For example, a subject matter expert for a country in the middle east could be brought in and trained and then could join our armed forces to provide that intelligence detail. That is exactly what 77th Brigade does, and it provides huge value away from the teeth arms, with which the right hon. Member for Warley (John Spellar) and I are more familiar.

We need to adapt and to reflect society as a whole. We have now opened up all roles to women, and our new campaign has led to a rise in applications of 20% since 2016-17. Reserves are also up by almost 5% on last year. The offering must also change, and some worries have been raised about accommodation, but we are looking at a new accommodation model, and I am concerned about what is happening with Carillion. We need to give individuals more opportunity. Do they want to stay in a garrison, do they want to rent, or do they want to own their own house? What is the other person aspire to, why should somebody who joins the armed forces not be able to do the same? That is what our accommodation model is looking at. Many hon. Members have participated in the passage of the Armed Forces (Flexible Working) Bill, which will allow somebody to step back from what they are doing in the armed forces for a period of time, perhaps to spend more time with their family or possibly to have a child. That proposal is proving hugely popular.

The enterprise approach is about attracting people on sabbatical, such as someone with a senior engineering, cyber or linguistic capability whom it would not be cost-effective for us to train from the bottom ranks all the way through. The veterans’ package has been mentioned, and I am proud of this Government’s work in supporting the armed forces covenant, which over 2,000 companies have signed. We also have the Veterans’ Gateway which, if hon. Members are not familiar with it, is the online portal that allows any individual to comprehend the myriad military-facing charities that are there to support our brave armed forces as they
at it. Finally on that front, through our mental health strategy we are trying to remove the stigma from someone stepping forward if they are suffering from any form of mental health issue.

A couple of comments were made about the public sector. Pay is obviously up to the Armed Forces Pay Review Body, but the cap has been lifted and there is the freedom to go above 1%. However, it is for the pay review body to make recommendations.

The last contribution that I want to comment on came from my hon. Friend the Member for Isle of Wight (Mr Seely). His pertinent point was that if the armed forces are not being used, they can be perceived as redundant. As Sun Tzu wrote in “The Art of War”:

“Supreme excellence consists in breaking the enemy’s resistance without fighting.”

Having an armed force, a posture and a strong capability that backs up our soft power can do much to influence the world around us without our having to leave it to war fighting or military engagement.

I would like to give a couple of minutes to the hon. Member for Gedling, who moved the motion, so I conclude by thanking all Members for their contributions. I hope the House will agree that we are deeply indebted to all those who choose to wear the uniform and, if required, stand in harm’s way in defence of our country and values and in aid of those in need across the world.

The professionalism of our defence people forms the hard power that is respected by our allies and feared by our adversaries, and it is that hard power that sits behind the country’s soft power that allows us to continue playing such an influential role on the world stage.

As the world moves faster and becomes more dangerous, we must not be naïve about the durability of the relative peace that the UK has enjoyed over the past few decades. Our country, our open international economy and our values are vulnerable to a range of growing world threats that have no respect for our borders. It is critical that Britain’s defence posture remains credible and that we maintain our military edge. That is exactly what the Secretary of State is working to achieve.

I end by reminding the House that President Reagan said:

“Freedom is never more than one generation away from extinction.”

Let us not take our ability to fight and the security we have for granted. All of us in this House should make the case for strong and credible defence.

4.56 pm

Vernon Coaker: I thank the Minister for his response, and I thank all my hon. Friends and all hon. Members who have taken part in this well-informed debate. I gently say to the Minister that it is disappointing the Defence Secretary has not been here for at least part of the debate to listen to the intensity of feeling on both sides of the House that wants to get behind him in his arguments with the Treasury.

A lot of what the Minister said was, “There will be lots of answers in due course.” As it stands, we do not know from the Government about the size of the Army; about whether there are continuing threats to the number of Marines, to Albion and Bulwark, and to the number of planes; or about a whole number of equipment decisions.

The reason why the Government are in this predicament, as the right hon. Member for New Forest East (Dr Lewis), the hon. Member for North Wiltshire (James Gray) and many Opposition Members have said, is that the National Security Adviser told the Joint Committee on the National Security Strategy that he was instructed by the National Security Council to deliver a strategy review that is fiscally neutral. That means it does not matter what threats he uncovers or what threats he feels this country faces—we have heard that everyone believes those threats have increased and intensified—as he will not recommend that there should be more money; he will recommend that we cut from one area to pay for another. That is totally and utterly unacceptable to this Parliament, to the public and to this country. It is not good enough. The Government have to get a grip and realise that we will not have defence on the cheap—this Parliament will not vote for it.

I say this as a Labour politician: all power to the Department in its argument with the Treasury to get the money it needs to defend the country we all love and to continue promoting democracy and human rights across the world. That is what needs to happen, and all power to the Secretary of State as he argues with the Treasury to get that money. Anything else would be a diminution of the responsibilities of this Parliament.

Question put and agreed to.

Resolved,

That this House pays tribute to the men and women who serve in the Armed Forces; believes that the Armed Forces must be fully-equipped and resourced to carry out their duties; and calls on the Government to ensure that defence expenditure is maintained at least at current levels, that no significant capabilities are withdrawn from service, that the number of regular serving personnel across the Armed Forced is maintained, and that current levels of training are maintained.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): On a point of order, Madam Deputy Speaker. I wish to correct the record, as it appears I may have inadvertently misled the House this morning. During business questions, I spoke of the Scottish Government sending two letters to the outgoing Culture Secretary without reply. Hansard did not record the words “without reply”, but the Minister responded to that specific point in his response. It has since come to my attention that the Scottish Government have recently received a response from the Secretary of State, and I did not want the day to end without correcting the record. I thank you for the opportunity to do so.

Madam Deputy Speaker (Mrs Eleanor Laing): The hon. Gentleman is absolutely right. The record requires to be corrected and he has adequately done so.

Business without Debate

SELECTION COMMITTEE

Ordered,

That David Evennett, Andrew Griffiths and Esther McVey be discharged from the Selection Committee and Chris Heaton-Harris, Christopher Pincher and Andrew Stephenson be added.—(Christopher Pincher.)
Plumbers’ Pension Scheme

Motion made, and Question proposed. That this House do now adjourn.—(David Rutley.)

5.1 pm

Kirstene Hair (Angus) (Con): I am grateful for this opportunity to raise the issue of the plumbers’ pension scheme, which affects small plumbing businesses in my constituency and in those of my colleagues across this Chamber. Most plumbers are part of a multi-employer pension scheme such as the Plumbing and Mechanical Services (UK) Industry Pension Scheme, which is run by the Scottish and Northern Ireland Plumbing Employers Federation. The scheme currently has more than 35,000 members, more than 350 contributing employers and, as of April 2017, £1.9 billion in assets. Since its inception in 1975, about 4,000 employers have paid into the scheme. Members would now like to know whether the 101%—the assets have been found to cover 101% of the liabilities—currently in the scheme is on a buyout basis or on a technical provision basis.

Fundamentally, this issue is a consequence of section 75 of the Pensions Act 1995, as amended in 2005, which covers what happens when an employer ceases to participate in a multi-employer pension scheme. When a participating employer leaves the scheme, either by becoming insolvent, winding up, changing its legal status or even simply no longer having any active members in the scheme, it becomes liable for a section 75 employer debt, to cover its share of the scheme’s liabilities. The size of a section 75 employer debt can be known with any certainty only when the employer ceases to participate, due to the variety of factors that go into how the debt is calculated, which range from how many scheme members the employer employs and how old they are, to the value of the scheme’s assets and to so-called “orphan liabilities”. Orphan liabilities are those liabilities that cannot be identified from those who have left the scheme in the past. So, in essence, employers leaving the scheme today are on the hook for liabilities incurred by employers who left the scheme years ago.

There is nothing objectionable about the idea of a section 75 employer debt in itself. The premise that employers leaving a pension scheme should leave on terms that protect the integrity of that pension scheme is entirely reasonable. However, the legislation is not suited to the plumbers’ pension scheme, and has inadvertently left many plumbers facing vast liabilities when they come up to retirement. Ironically, a measure designed, in good faith, to protect people’s retirements has in this case put many people’s retirements in jeopardy.

Hywel Williams (Arfon) (PC): May I draw the hon. Lady’s attention and that of the House to early-day motion 414 of last November, which stands in my name and those of Members on both sides of the House? May I also draw her and the Minister’s attention to early-day motion 414 of last November, which stands in my name and those of Members on both sides of the House? May I also draw the Minister’s attention to the scheme, being as large as it is, and because it did not have all the necessary data. That has had a devastating effect on many plumbers.

Kirstene Hair: I completely agree with the hon. Gentleman. My constituents also have grave concerns because they could essentially be left with nothing. That is why I shall urge the Government to take up various recommendations later in my speech.

Why then does the legislation have unintended consequences for plumbers? The first issue is that the plumbing industry is mostly composed of small, often family-run businesses that have been established for many years, created local jobs and contributed to their local economies. Such businesses are the lynchpin of our communities. I have huge admiration for this prime example of true, independent entrepreneurship. They have built businesses that have thus far largely withstood the rise of large corporations and the so-called gig economy.

The legislation is quite simply not made for industries such as plumbing. The turnover of employers leaving the scheme is higher because, of course, many plumbers shut down their businesses when they retire. In many other industries with multi-employer pension schemes, companies tend not to be tied to one specific person and are less likely to close voluntarily, whereas in plumbing there is a steady stream of employers reaching retirement and closing down their businesses, and now suddenly finding themselves liable for huge sums of money.

The turnover of employers, combined with the age of the scheme, has the additional consequence of making the aforementioned orphan liabilities particularly onerous. Much of the scheme’s buy-out deficit comes from employers who left the scheme years ago, and that large liability is now being shared out among currently departing employers. Moreover, although many industries are mostly composed of limited companies, many plumbers own unincorporated businesses, leaving them personally liable for business liabilities such as the crushing section 75 employer debt.

Perhaps a plumber could change their unincorporated business into a limited company, but that in itself could incur an employer debt, leaving plumbers with little room to manoeuvre. They cannot sell the business or even transfer it from parent to child without incurring an employer debt, and nor can they move their employees to a new pension scheme. They are, in effect, trapped in the scheme, with no escape. Plumbers are therefore uniquely and personally exposed to the effects of having to pay a vast amount in employer debt when they retire. Many of the plumbers who have been faced with a massive bill when trying to close down their businesses had absolutely no idea that this could happen to them. It has been a sudden and deeply damaging surprise.

This issue is not 22 years old. The 2005 change from the minimum funding requirement basis to the buy-out basis, which requires a departing employer to pay enough into the scheme such that that employer’s pension liabilities could be bought out with an insurance company, drastically increased the amount for which plumbers could be liable. Until recently, the plumbers’ pension scheme was unable to calculate or estimate section 75 employer debts because the legislation was not easily applicable to the scheme, being as large as it is, and because it did not have all the necessary data. That has had a devastating effect on many plumbers.

Luke Graham (Ochil and South Perthshire) (Con): I congratulate my hon. Friend on securing this debate. Does she agree that providing clarity is key for so many
plumbers in her constituency, my constituency and others throughout the country, because the plumbers are suffering and the impact is on not only them and their employees, but their families?

Kirstene Hair: I completely agree. This issue affects not just the individual, but their company, their family and their livelihood. That is why it was so important to bring this issue to the Floor of the House.

Plumbers have worked hard all their lives and are now in danger of losing everything—their homes, life savings and plans for retirement—when they trigger their business's employer debt, and all for being responsible, sensible employers who sought to provide for their employees’ retirements. It is a tragic irony made even worse by some of the frankly ludicrous sums involved. Some plumbers are finding themselves liable for hundreds of thousands, even millions of pounds—amounts of money that they could not possibly manage to pay. I urge the trustees immediately to carry out an accurate valuation for these plumbers.

Stephen Kerr (Stirling) (Con): My hon. Friend is making a powerful case, and I congratulate her on securing this debate. I will not be the only Member of this House who has had the distressing experience of listening to the agonies through which these good people are going. They are people who have worked long and hard and built something up for their families, and they now face financial ruin. It is right that the fund’s trustees should undertake a thorough review of all the options, but does my hon. Friend feel that the Government have a part to play in helping to bring clarity to the situation?

Kirstene Hair: I thank my hon. Friend for his intervention and completely agree that there is a role for the trustees to play and a role for the Government to support that process.

Alan Brown (Kilmarnock and Loudoun) (SNP): On the suggestion about the trustees doing an evaluation, I understand what the hon. Lady is saying, but will that evaluation not just highlight the ludicrous position facing people that she has already highlighted? We need not just an evaluation, but a different way of evaluating debt, because, as was correctly pointed out, this is fully funded anyway. It is actually a change in the legislation that is needed rather than the trustees doing that evaluation.

Kirstene Hair: I thank my hon. Friend for his intervention and completely agree that there is a role for the trustees to play and a role for the Government to support that process.

Douglas Ross (Moray) (Con): I, too, congratulate my hon. Friend on securing this very important debate. She is speaking about the impact that this is having on her constituents, but I am sure that she also recognises that my Moray constituency has some of the highest number of plumbers affected by this problem. Does she agree that they need answers sooner rather than later? The biggest problem is obviously the funds and the amounts that they are facing, but there is also the uncertainty, and the longer that that goes on, the worse it is for them, their employees and their families?

Kirstene Hair: I thank my hon. Friend for his intervention and completely agree with him. That is why, when I go through my recommendations for the Government shortly, I will also urge that those actions to be taken with immediate effect, so that we can alleviate that pressure on the plumbers in constituencies across the country.

I understand that this is a very complex system and that we should be wary of making any changes too hastily, lest they then have unintended consequences of their own. We do not want to solve this crisis by creating another one, let alone inadvertently make matters worse. Likewise, I recognise and support the principle behind employer debt. We do not want to open the door to companies being able to walk away from a pension scheme and dump its liabilities on other employers. None the less, the system is obviously not working as intended right now. None of the people who contributed to the legislation as it stands today could possibly have envisaged creating a system that has left ordinary plumbers facing, potentially, six or seven-figure bills when they try to retire. This is, self-evidently, not the way that it was meant to work.

There is surely a case to be made for recognising the unique situation of the plumbers’ pension scheme. More flexibility would certainly be welcome, especially with respect to the buy-out basis, unincorporated businesses and orphan liabilities. One could perhaps make the Pension Protection Fund a guarantor of last resort for the scheme’s orphan liabilities, as is currently the case in single employer schemes, so that those liabilities are not included when calculating the section 75 employer debt. As I mentioned earlier, the plumbers’ pension scheme is well funded and is on course to pay all members’ benefits in full, so there is little chance that the PPF’s role as guarantor would ever come into play. There must be a solution to this crisis, and any solution should also address the fact that the plumbers’ pension scheme includes unincorporated businesses where the owner’s house and life savings are at risk. One option could be, for example, to help plumbers seeking to avoid personal ruin by incorporating their businesses and by removing the funding test requirement from the flexible apportionment arrangement regulations in such cases.

Likewise, a solution should address the gross unfairness of employers in the scheme currently having to pay for liabilities incurred by employers who left the scheme before 2005, who did not need to pay anything when they left. I understand that the Government recently consulted on a deferred debt arrangement that would...
allow employers in multi-employer pension schemes, such as the plumbers' pension scheme, to defer payment of an employer debt in certain cases. I am also aware that the Green Paper, “Security and Sustainability in Defined Benefit Pension Schemes”, has looked into the issues of unincorporated liability and orphan liabilities, and that a White Paper responding to these issues is coming soon. I hope, therefore, that the Government are looking into all options as to how we can get justice and peace of mind for plumbers, and that they will not delay in making the necessary changes to the system. The sooner this crisis is resolved, the better.

It is worth reflecting on the issue of raising awareness among small businesses of section 75 employer debt and other pension liabilities. Many plumbers affected by this issue were wholly unaware that they could be made liable for such vast quantities of money, and that is not right. We should aim to ensure that small business owners enter multi-employer pension schemes with their eyes open, and that they are properly informed of any changes in the legislation and their potential consequences.

To conclude, the situation facing many plumbers right now is wholly unjust. Small business owners who have done nothing wrong are being penalised by the totally unintended consequences of the legislation as it currently stands. We need action to ensure that the system works as intended, and delivers relief and justice to upstanding plumbers who, through no fault of their own, are going into 2018 with a vast liability hanging over their heads. I urge this Government to take the actions I have outlined today.

5.15 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): I commend my hon. Friend the Member for Angus (Kirstene Hair) on securing this debate on this very important subject. I assure her that I have been listening carefully to her contribution and to those of other hon. Members. I would like to try to provide some reassurance, explain some action that is being taken and answer the individual solutions that she has so sensibly set out.

Since my appointment last June, I have spoken and written to several colleagues in the House who have made representations—much as I have heard this afternoon—on behalf of their constituents. I utterly recognise that it is a worrying situation for the employers concerned about all aspects of the scheme, and on all sides, can work together to agree a way forward with has announced plans to consult on a methodology to members receive the pensions they ha ve for calculating debts in February. That is long overdue. The similar arrangement in a multi-employer scheme, this would be through buy-out with an insurance company. The Government estimate that there are about 25 other multi-employer schemes, and that any changes for this multi-employer schemes, and that any changes for this particular scheme—however worthy and important it may be—has consequences in some shape or form for other schemes.

It is important to remind hon. Members of the background to this issue. The original legislation was introduced to protect members’ pensions, and was then strengthened in 2005. A key principle is that employers cannot walk away from their obligations if they have promised a pension to their employees. Before they do, they must ensure that members’ pensions are paid in full. In a single employer scheme, this would be through buy-out with an insurance company. The similar arrangement in a multi-employer scheme, as we have here, is the payment of an employer debt. This helps to ensure that members receive the pensions they have worked for and been promised when their own or former employer ceases to participate in the scheme.

The current regime is also designed to protect those employers who remain in the scheme and are also a party to this problem; they would be left to pick up the shortfall left by departing employers. The Government estimate that there are about 25 other multi-employer schemes with a design similar to that of the plumbers’ pension scheme. It would be difficult to consider introducing specific legislation about one particular scheme’s problems, especially as, since 2005, many such problems have been able to provide any estimates on the levels of potential debts. It is therefore absolutely important that all concerned do not create any unnecessary anxiety by speculating about the size of any potential debts before they are calculated. I am pleased that this week the scheme that we are concerned with has announced plans to consult on a methodology for calculating debts in February. That is long overdue. It is vital that that work is now done urgently so that all concerned about all aspects of the scheme, and on all sides, can work together to agree a way forward with employers affected.

I want to use this debate to try to suggest possible solutions and to answer the laudable recommendations made by my hon. Friend in her outstanding speech.
Employer debt legislation applies to all schemes, not just the plumbers. The Government are fully aware of the issues that employers have faced in complying with this legislation. A significant number of changes have been made to legislation, in response to representations made by employers, whereby only part of the debt or no debt may be payable. Those arrangements are available under current legislation and are being used right now.

My hon. Friend the Member for Stirling (Stephen Kerr) and the hon. Member for Arfon (Hywel Williams), whom I know well, mentioned plumbers who may be personally liable and are genuinely worried that they may lose their homes. It is worth pointing out that the majority of employers in this scheme are limited companies and are protected through limited liability, but I turn to the situation affecting unincorporated and incorporated employers.

For those who may be personally liable, there is already legislation that could assist. The personal assets of an incorporated employer are protected. Employer debt valuation is not required for an employer to become incorporated. My hon. Friend the Member for Angus mentioned the flexible apportionment arrangement. This is already available in legislation and can be used to help unincorporated employers incorporate without triggering an employer debt. The arrangement has been used by employers in this scheme and is one of the arrangements that can be used to help unincorporated employers, some of whom have been mentioned in correspondence to me and in this debate, provided that the scheme is no worse off from a funding perspective.

I turn to my hon. Friend’s point about the funding test. The Government believe that it would be wrong to remove the funding test as it provides an important protection for both members and the remaining employers. The plumbing pension trustee has a streamlined flexible apportionment arrangement process in place to help small employers wishing to incorporate. Individuals who want more details on this arrangement should contact the plumbing pension scheme to discuss their situation and whether an FAA can help. I urge individuals worried about their personal liability to contact the scheme to discuss their situation in more detail.

Once the debts have been calculated, the scheme trustees can also use their discretion not to pursue a debt when they expect that doing so would represent a disproportionate cost to the scheme.

I turn now to the key issue of a deferred payment scheme. We have recently consulted on regulations, including a new deferred debt arrangement, that will enable employers in multi-employer pension schemes to defer the requirement to pay an employer debt in some circumstances. This is a further tool for those affected by this problem. We aim to introduce these regulations in April, which will provide valuable breathing space for employers, so that they can consider their options on how to meet their obligations.

The issue of orphan liabilities was raised, as well as those relating to members whose employers no longer participate in the scheme. I am aware that the scheme would like to exclude orphan liabilities from the calculation of employer debt. That requirement to meet a share of orphan liabilities is common to all multi-employer schemes and is an integral part of member protection. I understand that the scheme has substantial orphan liabilities from employers that have departed it, but it is important to note that these liabilities are dated from the period both pre and post-2005. Changing legislation to enable schemes to accept less money when they are underfunded simply passes more risk on to members as it moves schemes further away from being able to secure members’ benefits in full.

I await the White Paper, but the Government’s provisional view is that it would not be right or fair to pass this burden on to the PPF and its levy payers, which are, of course, other pension schemes, and their sponsoring employers, who have no connection with, or responsibility to, the scheme. The legislation only requires departing employers to pay an employer debt when there are insufficient funds in the scheme to secure members’ benefits in full.

Several people talked about the funding of the scheme. In 2014, as an ongoing technical provision, the scheme was funded to the tune of 101%, but on a buy-out basis, it was deficient by 25%, hence the difference in the valuation and difference of comprehension on that point. That also answers the question from the hon. Member for Kilmarnock and Loudoun (Alan Brown).

It is accepted entirely that this is a very complex area in which there is no quick fix; no solution is pain free. It is only right that any changes should be carefully thought through, proportionate and justified. The Green Paper explored many of the issues facing defined benefit schemes. In particular, consolidation could provide a long-term solution for schemes currently unable to afford a full buy-out. Further work is being done on this, and it would not be right to pre-empt the outcome, but the White Paper will be delivered in the fullness of time, relatively shortly.

Alan Brown: I appreciate the fact that the Minister says the White Paper will come shortly. Will he say how soon and what the timescale will be for legislation after that? That is the important thing. Also, I am bringing forward a 10-minute rule Bill on this issue, and I would be happy to work with the Government on aspects of it, if he is willing to do that.

Guy Opperman: The hon. Gentleman asked me three questions. I will write to him with a bit more detail, because the time available to me is limited. The White Paper will be delivered at some stage this spring. Spring is an elastic term in the House of Commons, as he will understand, but it will certainly be delivered before the summer period. I look forward to his ten-minute rule Bill.

To be fair to my hon. Friend the Member for Angus, she has set out a number of positive solutions, some of which we have been able to take forward. I am aware that there is an all-party parliamentary group and I am happy to meet the group to discuss the matter in more detail. I will certainly write to individual colleagues with more detail on what we have discussed today.

I congratulate my hon. Friend on bringing a very important matter to the House. I want to make it absolutely clear that we accept that this is a complex but very upsetting situation for many of our constituents. We have all had individuals attend upon us with a file of papers and say, “Please help me sort this out.” I appreciate that problem and welcome the fact that she has taken the time to bring her constituents’ concerns to the House. I hope that I have provided some comfort about what we are doing now, some aspiration about what is
coming in April and the opportunity to address the problems raised by individual constituents, because we take this matter very seriously.

Question put and agreed to.

5.29 pm

House adjourned.
House of Commons

Monday 15 January 2018

The House met at half-past Two o’clock

PRAYERS

[MR SPEAKER in the Chair]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Armed Forces Covenant

1. Mary Creagh (Wakefield) (Lab): Whether he has plans to strengthen the armed forces covenant. [903255]

Sir David Amess (Southend West) (Con): What progress he has made on establishing an armed forces covenant and veterans board. [903259]

The Secretary of State for Defence (Gavin Williamson): The Ministry of Defence published the armed forces covenant annual report in December 2017, which outlined the progress made to strengthen the covenant. Notable achievements include the establishment of a new ministerial covenant and veterans board, which had its first meeting in October 2017. The next ministerial covenant and veterans board meeting is due in the spring.

Mary Creagh: I thank the Secretary of State for that reply. Before Christmas, I visited the Community Awareness Project in Wakefield, and many of its homeless clients are former armed services personnel. The Veterans Association UK estimates that there are 13,000 homeless veterans. They are guaranteed priority access to social housing under the armed forces covenant, but it is impossible to know that unless they are counted in the census. Will he commit—here, today—to count armed forces personnel and veterans in the census, as recommended by the Office for National Statistics?

Gavin Williamson: I thank the hon. Lady for highlighting that, and I assure her that, yes, we will do so.

Sir David Amess: Will my right hon. Friend tell the House what his Department is doing to support wonderful local charities, such as the Leigh-on-Sea branch of the Royal British Legion and Help for Heroes, in helping veterans to tackle isolation and loneliness?

Gavin Williamson: The point my hon. Friend raises is very valuable. We have to be reaching out to so many veterans, who have given so much to our country over so many years, and the work of Help for Heroes and the Leigh-on-Sea branch of the Royal British Legion is absolutely pivotal to that. We have recently seen investment of £2 million to create the veterans’ gateway, which is there to make sure that veterans are signposted to the charities, support organisations and of course Government organisations that can best support them if they are suffering from loneliness or need other additional help. May I take this opportunity to thank the Royal British Legion—at Leigh-on-Sea and at so many other branches across the country—which continues to do so much for our veterans, day in and day out?

Carol Monaghan (Glasgow North West) (SNP): The armed forces covenant is currently more of a statement of intent than a statement of action, and it does not guarantee the support that serving personnel and veterans require. Does the Secretary of State agree that putting an armed forces representative body on a statutory footing would be a bold commitment to ensure proper representation of personnel and veterans?

Gavin Williamson: What we have done is to create the veterans board. It was previously co-chaired by my right hon. Friend the Member for Ashford (Damian Green) and me, and it will now be co-chaired by me and the Minister for the Cabinet Office. We have found that the feedback about what we have been doing and trying to achieve in creating the board has been very positive. This is about not just the Ministry of Defence, but every Department, every local authority in the country and businesses helping and supporting our veterans and our service personnel.

Dr Andrew Murrison (South West Wiltshire) (Con): Housing regularly tops the list of concerns expressed by the Army Families Federation, as my right hon. Friend will know. Since 2014, CarillionAmey has been responsible for 50,000 service homes, and its website boasts that 1,500 calls are taken from concerned service families every day. What will he do, given that Carillion is about to collapse, to ensure that those calls are responded to appropriately in the immediate term and that service housing is dealt with in the longer term?

Gavin Williamson: I thank my hon. Friend for his question. There were some problems, and the Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East (Mr Ellwood), has done an awful lot of work with CarillionAmey to tackle these issues. We will be making every effort to ensure that the accommodation provided by the partners with which we work and from which our service personnel benefit is of the highest standards.

Nia Griffith (Llanelli) (Lab): Housing for our armed forces families is indeed an important part of the covenant. I recognise that CarillionAmey is a separate entity from the parent company, Carillion, but, given the concerns about its capacity and performance and today’s worrying news, what contingency plans does the Minister have in the event of unforeseen knock-on effects on armed forces housing?

Gavin Williamson: I assure the House that we have been monitoring the situation closely and working with our industrial partners. There will be a Cobra meeting later today to discuss addressing some of the most immediate issues, and the Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East, will do what he can, working with Amey and the separate business, to make sure that standards are driven up and no one notices a fall in service.
Defence Industry

2. Chris Green (Bolton West) (Con): What steps his Department is taking to increase defence exports and protect defence industry jobs. [903256]

13. Dan Carden (Liverpool, Walton) (Lab): What steps he is taking to support the defence industry. [903267]

16. Stephen Morgan (Portsmouth South) (Lab): What steps he is taking to support the defence industry. [903270]

The Secretary of State for Defence (Gavin Williamson):
The strategic defence and security review created a national security objective to promote our prosperity, supporting a thriving and competitive defence sector. We have now published our national shipbuilding strategy and refreshed defence industrial policy; industry has welcomed both. Exports are now also a defence core task, and I was delighted last month to sign the biggest Typhoon order in a decade, worth £6 billion.

Chris Green: Our NATO allies should be living up to their commitment to spend 2% of gross domestic product on defence, including 20% of defence expenditure being on major equipment, as agreed at the 2014 NATO Wales summit. Does my right hon. Friend agree that, if all members of NATO lived up to their commitments, there would be a boost to the British defence manufacturing sector and therefore to high-skilled British jobs?

Gavin Williamson: My hon. Friend makes a valuable point. He is right that, if everyone lived up their commitments on NATO spending and capital equipment, Britain could be a major beneficiary. I have made that point repeatedly to NATO Defence Ministers. It is about making sure that we have the right product on offer, so that we can sell it around the globe. That is something we in this country can be proud of as we continue to make significant and important deals across the globe.

Dan Carden: Will the Secretary of State confirm that, by 2020, 20% of our defence budget is set to be spent in the United States, not supporting UK jobs in design, engineering and manufacturing? Will he look again at defence procurement policy, which currently excludes social, economic and employment policies?

Gavin Williamson: We are proud that we continue to sell more and more to the United States that is British designed, manufactured and built, and we will continue to do that. We have some world-leading companies that continue to lead the way in this field.

Stephen Morgan: The defence industrial policy refresh was extremely disappointing, particularly in its failure to include a change to how the Ministry of Defence calculates value for money to include employment and economic impacts in cities such as Portsmouth, despite many defence companies urging the Ministry to make that change. Can the Secretary of State explain why?

Gavin Williamson: The refresh has broadly been welcomed by industry. I am sure that it will be followed by further refreshes, and we will be happy to look at different options.

Andrew Percy (Brigg and Goole) (Con): One way to support defence exports is to make more of the “Five Eyes” relationship and the sharing of platforms. A great way to do that would be to have three, or perhaps four of the “Five Eyes” powers operating the same platforms, potentially on the same frigates. Will my right hon. Friend assure me that every effort will be made at the top of Government to support Type 26 exports?

Gavin Williamson: My hon. Friend makes an important point about exploiting the “Five Eyes” relationship in terms of defence exports. I have raised that with my Australian and Canadian counterparts. We need to create a platform that uses not just British products, but Canadian and Australian products, to encourage them to purchase the platform.

Mr Stephen Hepburn (Jarrow) (Lab): In any defence contract, what conditions do the Government put in to ensure the use of British labour, new apprenticeships and British components?

Gavin Williamson: The Ministry of Defence has created 20,000 apprenticeship places in the past few years. Everything we do in our negotiations with firms, both UK based and international, aims to bring as much work content as possible into the United Kingdom.

Jeremy Quin (Horsham) (Con): Will my right hon. Friend welcome the often innovative work done in this field by smaller UK companies? Does he agree that they have a valuable role to play in procurement?

Gavin Williamson: We need to work out how to bring more small and medium-sized businesses into the MOD supply chain. Sterling work has been done in the past few years, but we have to double down on that and make sure that more small and mid-sized businesses benefit from MOD contracts.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): As the Defence Secretary will know, the Government recently signed a letter of intent with the Qatari Government for six new Hawk aircraft, but workers at the BAE Brough plant say that, even if that deal goes through, there will still have to be a headcount reduction in line with future aircraft production rates. What can the Government say to reassure these workers about their jobs?

Gavin Williamson: Later this afternoon, I will be meeting the Qatari Defence Minister to try to push the issue of making sure that we deliver on the statement of intent and the deal in terms of the purchase of the six Hawk aircraft. I have also taken the opportunity to meet the Emir of Kuwait, as well as the Prime Minister and the Defence Secretary, to push the 12 Hawk aircraft that we are desperately hoping the Kuwaiats will look at purchasing. This will have an important impact on the hon. Lady’s constituency and so many others.
Wayne David (Caerphilly) (Lab): I congratulate the Minister with responsibility for defence procurement, the Under-Secretary of State for Defence, the hon. Member for Aberconwy (Guto Bebb), on his new job. I am sure he will do his best to ensure fairness in defence procurement. I very much hope that the Defence Secretary will dispel the rumours regarding the £3 billion contract for the new mechanised infantry vehicle. Will he take this opportunity to give a commitment that there will not be a cosy deal with the Germans, but a fair and open competition for the prime contract?

Gavin Williamson: What we have been doing is working to get a clear idea of what the Army needs going forward. The Under-Secretary of State for Defence, my hon. Friend for Aberconwy, is new to the job. He will be looking at the options as to how we take this forward and making sure that we get the best deal and the best value, as well as the right equipment for the British Army. He will be looking at the details as he gets his feet under the desk.

Strategic Equality Objectives

3. Dr Roberta Blackman-Woods (City of Durham) (Lab): When his Department plans to publish its new strategic equality objectives. [903257]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The MOD increasingly strives to become a more diverse and inclusive organisation. The defence diversity and inclusion strategy is currently being reviewed to ensure it is continuing to have the desired impact on the organisation. I look forward to publishing a paper later this year.

Dr Blackman-Woods: Having more diverse armed forces clearly adds to their effectiveness, but, unfortunately, the latest figures show that the number of black, Asian and minority ethnic regular personnel has risen only 0.5% since 2015. What specific initiatives does the MOD have to improve on this?

Mr Ellwood: The hon. Lady will be aware of the latest advertising campaign that is going through. She is absolutely right that, if we are to reflect society, we must be able to recruit from right across society, and that includes BAME people and women as well. We have this target of 10% for BAME and 15% for women by 2020, and I hope we will achieve that.

James Gray (North Wiltshire) (Con): I strongly support the Minister’s ambition to encourage more BAME people and women to join the armed forces, but what has led him to the conclusion that the new advertising campaign to which he alluded a moment ago, which is rather less than robust, may be any more successful in doing than that the good old-fashioned “Be the Best”?

Mr Ellwood: I am grateful for my hon. Friend’s question. He will be aware that the “Be the Best” campaign continues, but he will also be aware that we must recruit from a diverse footprint. That means that we have to dispel some of the messages that are out there, and that is exactly what this new campaign is seeking to do.

Douglas Chapman (Dunfermline and West Fife) (SNP): What assurances can the Minister give workers in Rosyth, in my constituency, about the future work programme for the dockyard there, following the carrier completion contracts? Would he be able to meet me in the constituency to discuss that future work programme with unions and the management?

Mr Speaker: Order. I struggle to identify the relationship between the question posed and that of which the House was treating, but I will charitably attribute this to my inability fully to hear the hon. Gentleman. If the Minister wishes to blurt out an extremely brief reply, I think we should indulge the fella.

Mr Ellwood: I hope I never blurt out anything in this Chamber, Mr Speaker, but I will say with courtesy to the hon. Gentleman that, if he would like to meet my hon. Friend the new procurement Minister, I am sure they can come to some arrangement.

Mr Speaker: That all sounds very encouraging. Now, on the matter of equality and diversity, let us hear from a Lincolnshire knight.

Sir Edward Leigh (Gainsborough) (Con): Of course the armed forces should be welcoming and open to all, irrespective of their gender, race or sexuality, but is it not better to state this in general terms? After all, we are all part of a minority—as you have alluded to, Mr Speaker, I am part of many minorities in my views—and the armed forces should be representative of the whole nation.

Mr Ellwood: They should be, and that is why, even within the time of this Government, we have seen the number of women in one-star postings or above increase from 10 to 20, for example, and why we have opened up every role in the armed forces to women as well.

Daesh (Syria and Iraq)

4. Royston Smith (Southampton, Itchen) (Con): What the Government’s policy is on the use of drones to target Daesh fighters in Syria and Iraq.

The Secretary of State for Defence (Gavin Williamson): The Government’s policy on the use of remotely piloted air systems to target Daesh fighters in Syria and Iraq is no different from targeting conducted by a manned aircraft. All UK targeting is conducted in accordance with UK and international law.

Royston Smith: Our drones are piloted in the same way as fixed-wing strike aircraft, but the pilots do not have the same service life as pilots in frontline squadrons. Some drone pilots find it difficult to switch between being on live operations and being at home with their families. Will the Secretary of State confirm what support we give to drone pilots, and does it recognise the peculiar circumstances of their role?

Gavin Williamson: We recognise that this is a new form of warfare, and we have been working very closely with those engaged in it, making sure they have that support and that it is put in place before they go on operations, during and after. We are also working very
closely with the United States air force to make sure we learn the lessons they have learned over the past few years so that our service personnel might benefit.

**Dan Jarvis** (Barnsley Central) (Lab): The one thing above all else that gives us legitimacy in using force under these circumstances is the rule of law. Further to what he just said, will the Secretary of State confirm that UK operations will always comply with both the rule of law—the law of armed conflict—and the Geneva convention?

**Gavin Williamson:** Yes, they do.

**Armed Forces Compensation Scheme**


**The Parliamentary Under-Secretary of State for Defence** (Mr Tobias Ellwood): The Ministry of Defence is carefully considering the recommendations of the armed forces compensation scheme review. It has always been the intention to publish a response a year after the publication of the review, which came out in February 2017.

**Melanie Onn:** As part of the Government’s response to the consultation, will the Minister consider the fact that, since the establishment of the compensation scheme 11 years ago, only 56% of claimants have been given awards, that 96% of those have been in the lowest four levels of support and that 60% of those low-level awards that are then appealed receive an increase in award? That significant percentage demonstrates flaws in the original decision-making process. Will he commit to urgently improving that first-stage decision making to ensure that veterans are given the support they deserve?

**Mr Ellwood:** I am happy to look at the concerns the hon. Lady raises. The quinquennial review took place in 2016, and overall we were found to have remained on track and fit for purpose. We are making some changes, but they will be announced later in the year.

**Fabian Hamilton** (Leeds North East) (Lab): The Opposition strongly welcome reforms to the compensation scheme to make it fairer and easier to access, but we are concerned at Government proposals to prevent armed forces personnel and their families from seeking legal redress where there are failings that need to be highlighted. Not only would this remove an important legal right for injured service members, but it could prevent the MOD from learning lessons from past decisions. Will the Minister agree to think again and preserve the right of redress for personnel and their families?

**Mr Ellwood:** As I alluded to in my previous answer, no firm decisions have been made, but I will be presenting the results in due course, and I will bear in mind what the hon. Gentleman has said.

**Royal Navy: Capability and Strength**

7. **Kevin Foster** (Torbay) (Con): What recent assessment he has made of the capability and strength of the Royal Navy.

**The Minister for the Armed Forces** (Mark Lancaster): The Government are committed to increasing our maritime power to project our influence across the world and promote national prosperity. Growing for the first time in a generation, we will spend £63 billion on new ships and submarines over the next decade. We are also committed to increasing the number of personnel in the Royal Navy.

**Kevin Foster:** As the Minister will know, the strongest arm of the Royal Navy is the Royal Marines. Will he update the House on the work that is ongoing to transform the Royal Marines home base in south Devon into a world-leading facility and how it will enhance our national amphibious capability plans to ensure that we continue to meet our NATO and national priorities?

**Mark Lancaster:** In my previous role, I was responsible for the better defence estate strategy. I can confirm that it remains the intention to dispose of the Royal Citadel and Stonehouse in 2024 and Chivenor in 2027, and to provide units for the Royal Marines in either Plymouth or Torpoint. I cannot confirm exactly what form that will take at this stage, as further work is required, but I will update the House in due course.

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): The lack of clarity and the leaks and confusion surrounding the national security review are really hitting morale, and morale affects capability in the Royal Navy. Given the uncertainty over Plymouth’s HMS Albion and HMS Bulwark and, now, the leaked proposal to merge the Royal Marines with the Parachute Regiment, will the Minister clear up the confusion and rule out those Navy cuts and the merger?

**Mark Lancaster:** I am sorry to have to disappoint the hon. Gentleman, but I can only repeat what has already been said: the Government take the security of our nation incredibly seriously. I think it is far more important to ensure that the review is robust, comprehensive and detailed than to rush to make announcements simply to appease the hon. Gentleman.

**Dr Julian Lewis** (New Forest East) (Con): May we take a moment to acknowledge the courageous service of Surgeon-Captain Rick Jolly, whose death has just been announced? He was the only person to be awarded a gallantry medal by both sides in the Falklands war.

**Will the Minister please take back to those conducting the review the united opinion on both sides of the House that any loss of frigates and amphibious vessels before their due out-of-service dates would be totally unacceptable?**

**Mark Lancaster:** I am grateful to my right hon. Friend for highlighting the very sad passing of Commander Rick Jolly, whose death has just been announced. He was the only person to be awarded a gallantry medal by both sides in the Falklands war.

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Mark Lancaster: Absolutely. The Russian activity in the north Atlantic is as high as it has been since the end of the cold war, which is why we constantly assess it and respond appropriately. I was delighted that, as ever, HMS St Albans accompanied that Russian vessel during its passage through the channel.

Mr Speaker: I call Richard Grosvenor Plunkett-Erle-Drax.

Richard Drax (South Dorset) (Con): Thank you very much, Mr Speaker.

May I reiterate what Members on both sides of the House have said so far, and add my concerns to those that have already been expressed about the future of the Royal Marines and the Royal Navy? I believe that any cutting of the Royal Marines or any further part of our amphibious fleet—HMS Ocean having already gone to the Brazilians—is absolutely out of order and totally unacceptable.

Mark Lancaster: My hon. Friend is a champion of the armed forces, and I am of course aware of his own service. I can only repeat what has already been said, but I entirely recognise the contribution made by both the Royal Marines and the Royal Navy. I was deeply honoured to be able to award green berets to our Royal Marines back in 2016, having accompanied them for a short run across the moor. I am only too well aware of what they are capable of, and I note my hon. Friend’s concerns.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What assessments have been undertaken of naval capability in response to the inevitable arms race in weapons of mass destruction which would follow the implementation of the United States’ nuclear posture review?

Mark Lancaster: I am sorry, but I did not catch the question. If I may, I will review it and write to the hon. Gentleman.

Mr Speaker: I think it would be fair to say that it was tangential to the subject of the strength of the Royal Navy.

Nia Griffith (Llanelli) (Lab): We have heard from the Government ad nauseam that the Royal Navy is growing when that is demonstrably untrue. There continues to be a sharp divide between rhetoric and reality. It is utterly unacceptable that the House should hear about the proposed cuts from the newspapers, as we did yet again this weekend. Can the Minister refute those reports, and confirm that we will not see a repetition of the 2010 scale of cuts in our armed forces?

Mark Lancaster: It is deeply disappointing that the hon. Lady once again comes to the Dispatch Box and simply try to talk it down is deeply disappointing.

Nia Griffith: Once again we do not seem to have very clear answers on that front. We also know that a lack of personnel is a driving factor for decisions in the Royal Navy. Capita is failing miserably on recruitment targets, failing to deliver savings, and is still bungling its IT systems, so what specific steps will the Minister be taking to get to grips with this situation?

Mark Lancaster: We seem to be switching seamlessly from the Navy to the Army. If it is in order, that is fine, but there is continuing work on recruitment in the Army. I am pleased to say that compared with this period last year, applications are up about 20%. There have been some minor glitches in the new computer system, but they are being ironed out and I am confident that we will see recruitment into the Army increasing.

Future Accommodation Model

8. Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): What recent steps his Department has taken to develop the future accommodation model.

10. Jeff Smith (Manchester, Withington) (Lab): What recent steps his Department has taken to develop the future accommodation model.

18. Carolyn Harris (Swansea East) (Lab): Whether his Department plans to replace service family accommodation with a rental allowance.

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The MOD is committed to giving personnel flexibility and choice in where, how and with whom they live. The future accommodation model programme is advancing a new way to offer choice to our armed forces, whether they wish to live on the garrison or rent or buy a house.

Hugh Gaffney: The families federations have made clear their concerns about the family accommodation model and a distinct lack of communication from the Department with forces families. When will this Government introduce some concrete proposals so that forces families have some clarity about their future?

Mr Ellwood: I agree that it is very important that we work closely with the families federations to make sure that we look after their interests, and we have explained the proposals to them. I meet them regularly and my right hon. Friend the Secretary of State has also met them recently to explain the roll-out of this pilot scheme, which will begin at the end of this year.

Jeff Smith: It has been suggested that this model has saved £500 million, but also that it will not reduce the total pot of money used to subsidise housing. Given that we are told that no decisions have been made, is it not true that this £500 million figure has just been plucked from the air and we do not actually know the financial implications of this?
Mr Ellwood: Let us turn this around: this is not about saving money; it is about offering choice to those whom we want to keep in our armed forces. One of the reasons why individuals choose to leave is that there is no choice; they look over their shoulders and see people in civilian streets able to invest in a house, or to rent or to buy and so forth, and that is exactly what we want to offer those in the armed forces.

Carolyn Harris: The Army Families Federation found that if service family accommodation was replaced with the rental model, only 22% of personnel surveyed would definitely remain in the Army. Does the Minister not agree that the future accommodation model risks having a devastating impact on already shaky retention rates?

Mr Ellwood: I do not quite recognise those figures. We have worked with the families federations to establish exactly what the armed forces want, and they want choice, particularly the youngsters who come in. Some will want to continue living on the garrison, but others will want to get on the housing ladder, and we need to help them; that is what we need to do for our armed forces.

Mr Mark Francois (Rayleigh and Wickford) (Con): The most pressing worry of service personnel tonight in terms of the future of their accommodation will be that the parent company of the company that provides the maintenance of their quarters has just gone bust. Given the great importance of its service to service personnel, particularly in the middle of winter, may I press the Minister further and ask what plan B has the Defence Infrastructure Organisation come up with to make sure that maintenance will continue for service personnel throughout the winter?

Mr Ellwood: My right hon. Friend is right to raise this important question. There will be questions about the future of Carillion, and I understand that a statement on the matter will follow Defence questions. From the Defence perspective, we should recognise that a plan B was inherent in all the contracts. These are joint ventures, and if one of the companies steps back, there is an obligation on the other company to move forward and fill the space. We have been working on this for some time, and we have been prepared for this moment.

Nigel Huddleston (Mid Worcestershire) (Con): I am fortunate enough to have visited several airbases recently as part of the armed forces parliamentary scheme, and many airmen and women have expressed their concern about the significant differences in off-base accommodation across the country. How can we address this concern if there is no differential in pay in the future accommodation model?

Mr Ellwood: First, I pay tribute to the armed forces parliamentary scheme. Looking round the Chamber, I hope that there is not a single person who has not either done the course or signed up for it, because it gives a fantastic and valuable insight into what our brave armed forces personnel are doing. In relation to the future accommodation model, it is important that people should not be disfranchised because of funding, and we need to ensure that, no matter where someone might rent, it will be about the same up and down the country. That will be the plan.

Stewart Malcolm McDonald (Glasgow South) (SNP): On behalf of the Scottish National party, I welcome the new Minister, the Under-Secretary of State for Defence, the hon. Member for Aberconwy (Guto Bebb), to his place. In response to an earlier question on CarillionAmey, it was stated that military families should not see a difference in the service they receive. Is it not the case, however, that they should see a difference? The 1,500 calls per day that the hon. Member for South West Wiltshire (Dr. Murrison) mentioned earlier should tell us that something is deeply wrong with this private contract.

Mr Ellwood: First, I extend my welcome to the Under-Secretary of State for Defence, my hon. Friend the Member for Aberconwy, the new procurement Minister. He is very welcome indeed. In relation to the hon. Gentleman’s question, we need to understand what those calls are. If someone is phoning up to get a lightbulb replaced, does that mean that they are dissatisfied with the service, or do they simply need a new lightbulb? Let us be honest about what those calls actually are. A process also exists so that when someone is prevented from, say, getting a new lightbulb, they are compensated for the inconvenience caused.

Stewart Malcolm McDonald: Let us be serious here. We know that this is not about lightbulbs. It is about people’s hot water going off and their having to wait weeks to get it fixed. Is it any wonder that fewer than half our service families are happy with the current accommodation model? When does the Minister plan to get a grip of this and end the dreadful service that companies such as CarillionAmey are giving to military families?

Mr Ellwood: The hon. Gentleman is absolutely right; it should not be flippant about something that is so important. I should explain, however, that an awful lot of calls come through that relate to the everyday management of these locations. Yes, there are occasions when someone’s boiler has gone and we need to ensure that the individual family is compensated. Under a former Defence Secretary a couple of years ago, we called the company in to say that standards were slipping and needed to be improved. The satisfaction surveys that have come back since then show that there has been a dramatic increase, but yes, we still need to keep working at this.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): We know that the Conservatives have a poor record when it comes to making decisions on armed forces housing. The 1996 sell-off is the prime example of that. The Ministry of Defence is planning to sell a number of sites as part of its changes to the defence estate, but it is unclear what will happen to the housing stock on those sites. Will the Minister tell us what plans are in place for that housing when the sites are sold?

Mr Ellwood: Stepping back from Defence questions, I am sure that the hon. Gentleman will be aware of the need for more housing in this country. The Ministry of Defence owns 2% of UK land, and it is important that we do our job in freeing up land that we no longer need and that is surplus to requirements in order to make way for new housing. That is exactly what we are doing, and we have started off with an announcement on 91 sites.
European Defence Agency/Fund

9. **Kerry McCarthy** (Bristol East) (Lab): What discussions he has had with his EU counterparts on the UK's future participation in the European Defence Agency and the European Defence Fund.

**The Parliamentary Under-Secretary of State for Defence (Guto Bebb):** I thank Members on both sides of the House for their warm welcome. I should also like to take this opportunity to pay tribute to my predecessor for the work that she has done in this role for the past two years. Ministerial colleagues and I regularly discuss defence co-operation with our European partners. The Government are clear that they are seeking a deep and special partnership with the EU, including on security matters. It is important that UK and European industry can continue to work together to deliver the capabilities we need to keep us safe, and we look forward to discussing options for future co-operation during the next phase of the negotiations.

**Kerry McCarthy:** I thank the Minister for that response, although he does not make it clear whether we will still be part of the European defence fund or whether that is our ambition. He will be aware that negotiations on the next stage of the European defence industrial development programme, which is part of the EDF, are taking place, so what assessment has he made of the impact on jobs in our aerospace, defence and security industries if we do leave?

**Guto Bebb:** The impact would be significant, and everybody would recognise that. However, going back to my previous point, the Government's intention is to ensure that, despite leaving the European Union, our relationship with our European partners on security and defence is enhanced and strengthened.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister surely knows of the deep concern amongour friends and allies across Europe, not just about the European defence fund, but about the fact that this country is running down its defence capacity. Our support for NATO is under threat from our leaving the European Union, and people believe that we will soon lose our seat on the UN Security Council. What does he say to our friends in Europe?

**Mark Lancaster:** I urge the hon. Gentleman to read the Government's White Paper, which makes it clear that we have to do more. The facts are that the United Kingdom has one of the largest defence spends in the world and still meets its obligations within NATO, and our European partners are well aware that the United Kingdom has a huge amount to offer them moving forward. The picture painted by the hon. Gentleman does not reflect the reality.

**Munitions Workers (First and Second World Wars)**

11. **Henry Smith** (Crawley) (Con): If he will take steps to further recognise the work of munitions workers during the First and Second World Wars.

**The Parliamentary Under-Secretary of State for Defence (Guto Bebb):** I am sure that the whole House will join me in paying tribute to the thousands who worked in munitions factories during both world wars. They produced vital equipment that helped us to final victory. For practical reasons, it is not possible to pursue individual awards, but the Department for Business, Energy and Industrial Strategy would be happy to work with colleagues across the House to look at further ways of recognising the collective effort of former munitions workers.

**Henry Smith:** My constituent Sue Wickstead wrote to me about her aunt, who worked in a munitions factory during the second world war, and I urge my hon. Friend to work with BEIS to ensure that munitions workers are properly commemorated for their bravery on behalf of our country's freedom.

**Mark Lancaster:** I am delighted to say that we are already in negotiations with the Department and will happily pursue that work.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): Last year, I had the privilege and pleasure of meeting Ethel Parker, a 99-year-old former munitions worker from Swynnerton. She is incredibly proud of her service and will be 100 in May—I am sure she will forgive me for mentioning her age. For her and many others, time may well be running out, and they would very much want to be at the opening of a memorial, which would ideally not be in London so that they could visit it. Can we progress this issue as a matter of urgency, just as we have with other memorials, so that those involved can actually see the testament to their work to deliver victory in world war one and world war two?

**Mark Lancaster:** Once again, I can only pay tribute to those constituents who played such an important part in the second world war—those who took part in world war one are no longer around—and I absolutely recognise the urgency. We had a similar issue when it came to the French Légion d'Honneur, so mechanisms are in place, but I will pursue this as a matter of urgency.

**War Widows**

12. **Rosie Duffield** (Canterbury) (Lab): If he will reinstate the war widows' pension for widows who were required to surrender that pension due to remarriage or cohabitation.

**The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood):** May I group this question with Question 21?

**Mr Speaker:** The answer is that it was not grouped, but I think we ought to indulge the fella.

**Mr Ellwood:** I think the right hon. Gentleman is getting a little confused. I know that his responsibility is for defence rather than arithmetic, but the grouping was between Questions 14 and 21, so it is rather difficult to put Question 12 with Question 21. The right hon. Gentleman should satisfy himself with what I am sure will be a high-quality answer to the hon. Member for Canterbury (Rosie Duffield).
Mr Ellwood: Mr Speaker, that is why you are the Speaker and I am just a Minister.

While much attention in defence debates focuses on those in uniform, we must recognise the unique commitment that families make to our country in supporting those who actually serve. I have met the War Widows’ Association of Great Britain on several occasions and have listened carefully to its case for the reinstatement of war widows’ pensions for those widows who remarried or cohabited before 1 April 2015. The Secretary of State is already apprised of the issue, and we are now considering a way forward.

Mr Speaker: I should just say that the right hon. Gentleman is a respected Minister. On a very serious note, and in recognition of the fact that I will have the whole House with me, we discovered not that long ago that the right hon. Gentleman is also a very brave man.

Rosie Duffield: As the Minister will know, arbitrary and unjust transitions in pension status can have dire consequences for those who depend on them, and it is particularly shameful when those affected are the families of those who were prepared to make the ultimate sacrifice for our country. Members of my own family have been affected, so will the Minister please meet me directly to discuss this issue?

Mr Ellwood: I would be delighted to meet the hon. Lady, particularly given her experience of this matter. It is a very difficult issue, and we must recognise that war widows’ pensions are not compensation for the loss of a spouse but are paid to assist with maintenance. We must pay tribute to any family who have undertaken the burden of losing somebody in uniform to the service of this country.

Mr Speaker: We now come to Question 14. I hope someone will now volunteer to group it with Question 21.

Mr Ellwood: No one else is stepping forward, so I will jump in.

Armed Forces: Pay and Retention

14. Jo Platt (Leigh) (Lab/Co-op): What assessment he has made of the effect of delays to the 2018–19 pay negotiations on retention in the armed forces. [903268]

21. Ellie Reeves (Lewisham West and Penge) (Lab): What assessment he has made of the effect of delays to the 2018–19 pay negotiations on retention in the armed forces. [903277]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): As the House is aware, pay rates are recommended by the independent Armed Forces Pay Review Body, and by the Senior Salaries Review Body for the most senior officers. The next set of recommendations are expected in the spring.

Jo Platt: Does the Minister share my concern that all three services are running below strength and that the delay in lifting the armed forces pay cap and in prioritising recruitment will only exacerbate the problem?

Mr Ellwood: I hope the whole House would agree that pay is not the reason why people join the armed forces. Nor is it the reason why people choose to leave the armed forces, but we do not want it to become one. That is why I am pleased that the Armed Forces Pay Review Body has been liberated from the 1% pay freeze that has existed for a number of years.

Ellie Reeves: The 2017 armed forces continuous attitude survey found that satisfaction with the basic rate of pay and pension is at the lowest level ever recorded, with nearly half of service personnel stating that their pay and benefits are not fair for the hard work they do. How do things have to get before the Government take this seriously?

Mr Ellwood: I repeat: the important situational change is that the 1% pay freeze has been lifted. It is up to the pay review body to make its recommendations. We should also recognise that it is not simple basic pay. There is a complex process involved in armed forces pay, including progression pay, the X factor and a variety of allowances that must also be incorporated and considered.

Armed Forces: Mental Health Support

17. Jo Swinson (East Dunbartonshire) (LD): What steps his Department is taking to improve mental health support for members of the armed forces. [903271]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): There has been a comprehensive change in how we deal with mental health issues in the armed forces, as outlined in the mental health and wellbeing strategy, which I was privileged to launch last year. We are already seeing the start of a cultural change in removing the stigma that for so long has been associated with those wanting to raise mental health concerns during their service time.

Jo Swinson: I thank the Minister for that reply. A recent report found that just 31% of our armed forces personnel and veterans with recent mental health problems had accessed a mental health specialist. Does he agree that the high rates of medical discharge among UK personnel might prevent people from seeking help for fear it might end their career? What will the Government do to encourage service personnel with mental health issues to seek help?

Mr Ellwood: The hon. Lady is absolutely right, and it is why we had to introduce such a fundamental change in our strategy. People were not coming forward. If someone has a knee injury, they declare it, they show it, they get it sorted out and they get back into the line. If they had something wrong with their mind, soldiers, sailors and air personnel were reticent to step forward. That is now changing. We are changing the stigma, and we are grateful to the support of the Royal Foundation for providing funding for extra studies on this important matter.

Johnny Mercer (Plymouth, Moor View) (Con): Does my right hon. Friend agree that we need to be very careful with this narrative on veterans? If we go too far down the road of promoting the idea that we are all broken and contribute nothing, it will not help us to beat the challenge and to present mental health treatments on a fair and acceptable footing for our armed forces.
Mr Ellwood: I shall take this opportunity to explain that the absolute majority of the 14,000 who leave the armed forces every single year make the transition into civilian life without a problem. In fact, 90% or so are either in education or in a job within six months. However, some require support, and often that they do not know where to find that support. My right hon. Friend the Secretary of State mentioned the armed forces veterans’ gateway, which is an important portal that opens up more than 400 military-facing charities that can provide that support for our deserving veterans.

Royal Air Force: Pilots

19. John Grogan (Keighley) (Lab): How many pilots have applied to leave the Royal Air Force in each of the last three years.

The Minister for the Armed Forces (Mark Lancaster): A total of 145 pilots formally applied to leave the Royal Air Force in the last three financial years.

John Grogan: Does the Minister agree that the RAF needs to do everything possible to retain its experienced pilots, particularly in the light of competition from the civil sector? Will he look at the case of 100 experienced pilots who have been disadvantaged in relation to their peers by the latest change to pay and conditions?

Mark Lancaster: I absolutely recognise that we need to retain our experienced pilots, and of course a number of financial retention schemes are in place to do that. Equally, pilots have the choice as to whether or not they remain flying, by going into a specialist flying scheme, or stop flying, by going into the general scheme. Since the announcement that we would be buying nine P-8s, I have been deeply encouraged by the number of commercial pilots who have left the RAF and now want to re-join.

Douglas Ross (Moray) (Con): RAF pilots from Lossiemouth and other military personnel in my constituency have contacted me about the Scottish National party’s “nat tax”, which makes Scotland the highest taxed part of the United Kingdom and potentially a less desirable posting. Does the Minister agree that the SNP should drop these dangerous plans? If it will not, will he look at the case of 100 experienced pilots who have been disadvantaged in relation to their counterparts south of the border?

Mr Speaker: Don’t bang on about SNP policy—we don’t need to do that. The esteemed Minister should focus on the latter part of the question, which was orderly and did relate to the policy of the Government, for which he is responsible.

Mark Lancaster: I would not dream of banging on about the SNP, but it is of course for it to justify to our armed forces personnel its higher rate of income tax. I have yet to be contacted by any RAF pilots wishing to leave, and I will continue to do my best to ensure that they will want to stay in the RAF.

Fleet Solid Support Ships

20. Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): If he will make an assessment of the potential merits of holding a UK-only competition to design and construct the new fleet solid support ships for the Royal Fleet Auxiliary.

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): The national shipbuilding strategy made it clear that, as non-warships, the fleet solid support ships will be subject to international competition. There are clear cost and value-for-money advantages from maximising competition, which remains the cornerstone of defence procurement. UK companies are welcome to participate in the competition.

Mr Sweeney: Daewoo, of South Korea, which is currently building the Tide class tankers for the Royal Fleet Auxiliary, has benefited from unfair state aid assistance from the South Korean Government. Will the Minister give assurances that for the next batch of fleet solid support ships, any shipyard worldwide that is benefiting from unfair state aid will be excluded from the competition? Even better, will he make a commitment that UK shipbuilders will be able to bid for that on that basis?

Guto Bebb: I thank the hon. Gentleman for his question. The point I made in my initial answer is very clear: we believe that competition is a good thing. That means fair competition, so we will be more than happy to look into the details of his comments. However, we do believe that competition on this issue is the best way forward.

Topical Questions

T1. [903280] Jim McMahon (Oldham West and Royton) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Gavin Williamson): Since becoming Defence Secretary, I have asked the Department to develop robust options for ensuring that defence can match the future threats and challenges facing the nation. Shortly, when the national security capability review finishes, the Prime Minister, with National Security Council colleagues, will decide how to take forward its conclusions, and I would not wish to pre-empt them. However, as the Prime Minister made clear in the speech at the Lord Mayor’s banquet late last year, we face increasing and diversifying threats to this nation. Although the detail must wait until the NSCR concludes, I can assure this House that as long as I am Defence Secretary we will develop and sustain the capabilities necessary to maintain a continuous at-sea deterrence; a carrier force capable of striking globally; and the armed forces necessary to protect the north Atlantic, to properly support our NATO allies and to protect the United Kingdom and its global interests. That is why I continue to work with the Prime Minister and the Chancellor to secure a sustainable budget for defence to deliver the right capabilities, now and into the future.

Finally, I wish to thank all those service personnel who gave and did so much over Christmas and new year to make sure this country remained safe.

Jim McMahon: I thank the Secretary of State for his belated acceptance speech.

The Army recruitment centre in Oldham closed before the recruitment contract was handed over to Capita. Last year, only 7,000 of the 10,000 new entrants needed for the Army were recruited. Will the Department review the closure of those local offices to see whether it has affected the number of new entrants coming through?
Gavin Williamson: Yes, we will certainly always review anything that has an impact on local recruitment. We are always looking into this issue. We have seen a 15% increase in the number of people applying to join the Army. We want to build on that and make sure that more people join our armed forces.

T2. [903281] Eddie Hughes (Walsall North) (Con): As a proud civil engineer, I am excited by the prospect of this being the year of the engineer. Will the Secretary of State tell the House what plans his Department has to recruit more nuclear engineers for the Navy, more mechanical engineers for the Army and more aeronautical engineers for the RAF, to ensure that we will have sufficient numbers of these critical personnel in the years ahead?

The Parliamentary Under-Secretary of State for Defence (Guto Bebb): I thank my hon. Friend for the passion with which he asked his question. The Ministry of Defence supports and attracts engineers across the services. That work includes focusing on undergraduate apprenticeships in the Royal Navy to target submarine engineers; the Army’s running science, technology, engineering and maths events to inspire young people; and enhanced digital marketing of the RAF to promote graduate engineering opportunities.

T3. [903282] John Mann (Bassetlaw) (Lab): Given the appealing state of some armed services accommodation and the amount of gold we have poured down Carillion’s throat, is not this week a great opportunity to directly employ some of the maintenance and catering staff, who could be automatically taken on by the MOD today to provide a good service without the requirement for a profit to be made for Carillion or any other private sector company?

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): As I said earlier, plans are in place to make sure that, with respect to what is happening with Carillion, obligations are met and we continue to provide the important accommodation for service families, as well as single accommodation.

T4. [903283] Bill Wiggin (North Herefordshire) (Con): At this time, when there is so much pressure on the departmental budget, will the Minister make sure that cadets, who do so much to make sure that recruitment carries on, are properly protected and resourced?

The Minister for the Armed Forces (Mark Lancaster): My hon. Friend is a champion for the cadets. With more than 800 cadets and 125 adult volunteers in 20 detachments, the Hereford and Worcester Army Cadet Force demonstrates how the cadet experience provides opportunities for young people to develop self-discipline and resilience. I started my military career in the cadets. I am a great fan of the cadets, and we certainly continue to support the cadet expansion programme.

T7. [903286] Mr Kevan Jones (North Durham) (Lab): The national shipbuilding strategy states that overseas nations will order 40 Type 31 frigates. It is nearly 40 years since we last successfully exported any frigates, so will the Minister explain how that figure was arrived at? Is there any fact behind it, or is it just optimistic spin?

Guto Bebb: Once again, the hon. Gentleman’s comments are disparaging of our ability as a nation. This country aims to deal with past failures by ensuring that we have a platform that will appeal to nations around the world. The MOD is confident that the platform that we are developing for the Type 31e will appeal around the world. It would be good if some Members who claim to represent British industry were willing to support rather than attack it.

T5. [903284] Henry Smith (Crawley) (Con): Will my right hon. Friend the Secretary of State update the House on the Royal Navy’s Crowsnest system and join me in paying tribute to Thales, which is based in my constituency, for the delivery of the project?

Guto Bebb: The Crowsnest project will deliver instructor and initial crew training in 2019, and it will be operational from mid-2020 to support the initial operating capability for HMS Queen Elizabeth. We are on track for Crowsnest to enter service, and I thank Thales—a key subcontractor—for its positive engagement and its collaborative approach to supporting this vital Royal Navy project.

T8. [903288] Christian Matheson (City of Chester) (Lab): When my hon. Friend the Member for Liverpool, Walton (Dan Carden) pointed out that 20% of our defence procurement budget is spent in the United States, the Secretary of State replied by suggesting that we were selling lots of big contracts to the USA. Will he say what they are?

Gavin Williamson: Just the other week I was learning about all the things that we do in terms of supporting the United States through the F-35 project. United Technologies Corporation, which employs more than 2,000 people near my constituency, is applying the actuators, as is Moog, another American company that employs a British workforce. We are making sure that we are an absolutely pivotal part of the supply chain for this important project that will generate many thousands of jobs.

T6. [903285] Gordon Henderson (Sittingbourne and Sheppey) (Con): What estimate has my hon. Friend made of the threat to Britain from Russia in the north Atlantic, and can he assure me that the Royal Navy’s submarine service has the resources needed to meet such a threat and provide a continuous at-sea deterrent?

Mark Lancaster: As I mentioned earlier in answer to the hon. Member for Rhondda (Chris Bryant), the level of naval activity that we see from Russia is at its highest since the cold war, but I am sure that the House will appreciate that I cannot go into too much detail. I can assure the House that our independent nuclear deterrent is continuously on patrol, as it has been every day now for nearly 50 years.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): A constituent of mine and a veteran of two tours of Afghanistan, former Rifleman Lee Bagley, lost a leg after a non-theatre related injury incurred in February 2010.
His subsequent complaint about delays to his treatment was dismissed in part because he was out of time. Will the Minister, under proposals to improve the armed forces covenant, ensure that, in any such circumstances again, the victim will have available a full explanation of what they may expect from treatment, and their rights?

Mark Lancaster: Of course, the hon. Gentleman’s constituent was the subject of an Adjournment debate that the hon. Gentleman and I discussed some 18 months ago. The advice at the time was that he should put in a complaint to the service complaints ombudsman. I am not sure whether that has been done. However, if I may, I will take this opportunity to review the case and come back to the hon. Gentleman.

T9. [903289] Stephen Hammond (Wimbledon) (Con): The ability to communicate is clearly key to our national, economic and security interests. Will the Minister say exactly what plans he has to protect those on the basis of the new threat posed by Russia to undersea communications and internet cables?

Mark Lancaster: This is a very delicate issue. However, I can absolutely reassure my hon. Friend that we do have the capability to protect these assets. It would probably be inappropriate to say any more in this House.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): As the Secretary of State assesses the effects of the delays to the 2018-19 pay negotiations on retention to the armed forces, do they not agree that the Ministry of Defence is actually giving squaddies a real-terms wage cut, while the Scottish Government are in fact putting money in their pockets through the new progressive tax system?

Gavin Williamson: I will be giving evidence to the independent pay review body next month, and we will be doing everything we can to ensure that members of the armed forces get paid as and when they expect to be paid. Let us not forget that the Scottish Government are taking money out of service personnel wages.

Tom Pursglove (Corby) (Con): I very much welcome the establishment of the veterans board. Will my right hon. Friend task it with ensuring that there is greater awareness among local government and public bodies of their duties and obligations under the covenant?

Gavin Williamson: My hon. Friend is absolutely right to highlight that. So often, local authorities do not understand the duties and obligations that rest on their shoulders. We are not only creating intentions to improve the lives of people who are serving in our armed forces, but putting money behind them, such as with the premium to ensure that service personnel get the right type of education for their children. However, we do need local authorities to work with the Department to ensure that service personnel benefit.

Mrs Madeleine Moon (Bridgend) (Lab): In 2013, the regulatory reserve scheme was introduced. Since then, we have paid out more than £29 million and benefited by only 480 deployable reservists. Would it not have been better to use that money to improve the conditions, the pay and the benefits of those in our regular forces and to retain them?

Mark Lancaster: I am not quite sure whether I agree with the hon. Lady’s figures, but I will go away and look at them, because I do not have them to hand. I absolutely defend what we have done quite successfully in increasing the size of the reserve. Compared with where we were three or four years ago, we now have a usable reserve, which is a very positive thing.

James Heappey (Wells) (Con): Will the Secretary of State join me in congratulating the Army on its new recruitment campaign, which shows the changing face and culture of our armed forces? Does he share my confidence that the corporals and colour sergeants who await those recruits in our training establishments, and the esprit de corps in our regiments that awaits thereafter, will ensure that our Army is no less professional, no less robust and no less lethal?

Gavin Williamson: I could not agree more with my hon. Friend. The British Army is the best in the world. What we want to do is recruit from every walk of life and every background; it does not matter where someone comes from, their sexuality or anything else. We want the best in our armed forces, and that is what we will achieve.

Diana Johnson (Kingston upon Hull North) (Lab): I welcome what the Secretary of State has said about his efforts to secure further Hawk orders. May I remind him that if we do not get those Hawk orders for BAE Systems and the jobs at Brough, his Department will not be able to renew the Red Arrows fleet, which flies Hawks, when the time comes?

Gavin Williamson: I thank the hon. Lady for reminding me of that. We have, I believe, 75 Hawk aircraft, which the Red Arrows pull from and which are due to go until 2030. This is why we are working so hard to secure future orders for the Hawk aircraft and we will continue to do so going forward.

Robert Courts (Witney) (Con): I welcome my hon. Friend the Member for Aberconwy (Guto Bebb) to his ministerial role. Will he begin by considering boosting exports by pairing the national shipbuilding strategy with the national aerospace strategy?

Guto Bebb: I thank my hon. Friend for welcoming me to my role. He makes a really important point; I will be more than happy to take his representations on board as we move forward.

John Cryer (Leyton and Wanstead) (Lab): How often does the Veterans Board meet and what powers has it got?

Gavin Williamson: It meets twice a year and has the ability to direct and ensure that Ministers right across the Government are doing what is needed. It will evolve and change, and that is what we want to see. I cannot remember such a body existing prior to 2010. I am very proud of what our party has done for veterans and we will continue to deliver for them, unlike other parties.
fiscally neutral, as the National Security Adviser recently told the Joint Committee on the National Security Strategy? Who has imposed that financial restriction? The Ministry of Defence? Unlikely. The Treasury? Almost certainly.

If new threats have intensified, is not more money needed, unless of course previous conventional threats have seriously diminished? If previous conventional threats have diminished, why did the National Security Adviser claim to the Defence Committee in a letter: “Because the main decisions on Defence were taken during the 2015 SDSR, this review is not defence-focused”?

If this review is not defence-focused, and if the 2015 plan therefore still applies, why should thousands of soldiers, sailors and airmen be lost, elite units merged or aircraft frigates and vital amphibious vessels scrapped, long before their out-of-service dates?

Finally, is it not obvious that we are bound to face such unacceptable choices as long as we continue to spend barely 2% of GDP on defence? Even after the end of the cold war and the taking of the peace dividend cuts, we were spending fully 3% in the mid-1990s. Defence is our national insurance policy, and it is time for the Treasury to pay the premiums.

Gavin Williamson: I thank the current Chairman of the Defence Committee—I think we are only ever current—for raising those points. In the NSCR, we are looking at the threats that the country faces, and everything that was done in 2015 is relevant today. As I pointed out, the Prime Minister herself has highlighted the fact that the threats are increasing, and we are having very active discussions right across Government about how best we can deal with those threats. There is an awful lot of speculation and rumour in the press, but that is what we expect of the press.

As I mentioned earlier, we need to ensure that we have the right capability, whether that is a continuous at-sea nuclear deterrent, our special forces, or an Army, Navy and Air Force that have the right equipment and capability to strike in any part of the globe. That is what we have to deliver. I am afraid that I cannot be drawn on the details at the moment, but I will be sure to update the House regularly, as the national security capability review develops, on the conclusions of the review and how we can best deal with them.

Nia Griffith (Llanelli) (Lab): I am grateful to you, Mr Speaker, for allowing this urgent question, because Members on both sides of the Chamber have had enough of constantly reading about proposed defence cuts in the newspapers while Government Ministers stonewall questions in the House.

May I press the Secretary of State actually to answer the questions posed by the Chair of the Defence Committee about the national security capability review? Is it the case that the defence element of the review is to be hived off? If so, when can we expect that part to be published? We live in a time of deep global uncertainty, and the risks that we face continue to grow and evolve. Can the Secretary of State confirm that the review will carry out a thorough strategic analysis of those risks, and make a full assessment of the capabilities required to deal with them effectively? It is complete nonsense to have a review without also reviewing the funding, yet that is precisely what this Government propose to do.
Although we must develop and adapt our capabilities as the threats that we face continue to evolve, this review must not become a contest between cyber-security and more conventional elements. Will the Secretary of State recognise that Britain will always need strong conventional forces, and that money must be made available for both? He must not rob Peter to pay for Paul.

There is significant concern about cuts to personnel, with numbers already running behind the stated targets across all three services. The Government still maintain that they aim to be able to field a “warfighting division”, but will the Secretary of State admit that this simply will not be possible if the Army is reduced to the levels speculated? What is the Government’s target for the size of the Army? They broke their 2015 manifesto pledge to have an Army of over 82,000, and they have now broken their 2017 pledge to maintain the overall size of the armed forces because, in reality, numbers have fallen.

Finally, will the Secretary of State tell us what specific steps he is taking to stop defence cuts, beyond posing with dogs outside the MOD and briefing the papers about his stand-up rows with the Chancellor? The fact is that we cannot do security on the cheap, and the British public expect the Government to ensure that defence and the armed forces are properly resourced.

Gavin Williamson: I think that all Government Members recognise the importance of making sure that we maintain conventional forces, and the fact that we have to have a continuous at-sea nuclear deterrent; but we cannot have one and not the other. We have to ensure that we have that ability so that, if we are in a point of conflict, there is deterrence at so very many levels. That is why having robust armed forces—the Army, Navy and Air Force—is so incredibly vital.

The Government and the Conservative party made a clear commitment in our manifesto to maintaining numbers. We are working to ensure that we get the recruitment methods right, so that we can give many people right across the country the opportunity to be able to join the Army, Navy and Air Force. I have to say that if we are choosing between parties when it comes to who will prioritise defence, and who will ensure that our armed forces and this country’s national interests are protected, I know which party I would choose, and it sits on this side of the House.

I will continue to work with the Army, Navy and Air Force to ensure that we get the very best deal for our armed forces. We have a vision as to what we wish to deliver for this country: a robust, global Britain that can project its power right across the globe. We recognise that that is done not just through cyber-offensive capabilities, but the conventional armed forces. As I said earlier, as the national security capability review starts to conclude, I will update the House on the conclusions and how it will be developed.

Mr Mark Francois (Rayleigh and Wickford) (Con): There has been speculation over the weekend that the defence element of the NSCR is going to be effectively broken out, and dealt with separately slightly later. Given the immense amount of speculation, will the Secretary of State confirm whether this is true? Is he also aware that if he continues stoutly to fend off the pin-striped warriors of the Treasury, he will have very strong support on the Government Benches and, I suspect, even among the Opposition.

Gavin Williamson: I assure my right hon. Friend that we are working hard across Government and all Departments to make sure that we have the right resources for our armed forces not just this year and next year but going forward. On whether I can update the House, I am afraid that I do not have the ability to pre-empt the national security and capability review, but as soon as its conclusions have been brought forward and it has gone to the National Security Council, I will be sure to update this House as soon as I am able to do so.

Stewart Malcolm McDonald (Glasgow South) (SNP): Who would have thought that a national security review would become a proxy Conservative leadership contest between the Secretary of State and the Chancellor?

Will the Secretary of State answer the question that he has been asked by the Opposition and by Government Members? Is the review being split up into defence and security, is defence expected to come later in the year, and if so, when will that happen? What size will the Marines be by the time this concludes? Does he not agree that given all the speculation, and given that the SDSR is now effectively out of date because we are leaving the EU and because of major currency fluctuations, what is needed is a proper SDSR that he, at least, would be able to get a grip of?

Gavin Williamson: I apologise, Mr Speaker, but the hon. Gentleman seems not to have been listening to my previous answers. I am not in a position to comment on this question, but I have promised the Committee that I will update the House as soon as I am able to do so. Quite simply, I am not in a place where I can pre-empt the decisions of the National Security Council, and the national security and capability review is ongoing. As soon as I am in a position to be able to update him, I will certainly do so.

Bob Stewart (Beckenham) (Con): When I joined a conventional infantry battalion in 1969, there were 780 officers and soldiers. Now, in the same conventional infantry battalion, there are just over 500. That is a loss of a third in number. Does my right hon. Friend agree that doing that and still calling something a battalion is a great loss of capability?

Gavin Williamson: My hon. Friend makes a very valuable point, and I will certainly look into it. We want to make sure that battalions are properly and fully manned so that they are able to deliver the right capability with the right equipment and the right resources, but I take on board the points that he makes.

Mr Kevan Jones (North Durham) (Lab): In 2015, the Conservative party was very clear that the size of the Army should be 82,000. Will the Secretary of State give a commitment today that on his watch the size of the Army will not drop below 82,000, and if it does, will he resign?

Gavin Williamson: We are meeting all of our operational commitments. We have also made it clear that we want to deliver on the numbers that we outlined in the manifesto in keeping the forces at the levels that they are, and we will be doing everything we can to deliver on that.

Bob Stewart (Beckenham) (Con): When I joined a conventional infantry battalion in 1969, there were 780 officers and soldiers. Now, in the same conventional infantry battalion, there are just over 500. That is a loss of a third in number. Does my right hon. Friend agree that doing that and still calling something a battalion is a great loss of capability?
Mr Keith Simpson (Broadland) (Con): Does my right hon. Friend agree that in some ways this is an unfair question for him, because given everything that he has said, he does not decide defence and security policy, as that has now been upped to the National Security Council and the National Security Adviser? At what point does the influence of the chiefs of staff come in? Is he able to veto any proposals being put forward by the Treasury or other Government Departments?

Gavin Williamson: The Chief of the Defence Staff acts as the Prime Minister’s principal adviser on all defence issues. We will be putting forward our thoughts as to how best to make sure that our armed forces are best equipped to go forward. This national security capability review touches on 12 strands of work. I am keen to make sure that defence gets the very best deal. I will be very vocal in making sure that the interests of our armed forces are properly represented going forward.

Vernon Coaker (Gedling) (Lab): Does the Defence Secretary not realise that he has a real opportunity here? Both in the debate on Thursday and today, Parliament is saying that he should go to the Treasury and tell it we will not accept merging the Paras with the Marines, cuts to amphibious warfare capability or cuts to the Army of some 11,000. We are trying to support and help him, so instead of retreating into partisanship, will he embrace what Parliament is telling him, and go and tell the Chancellor and the Prime Minister that we want more money?

Gavin Williamson: I am always incredibly grateful for such cross-party support. In the arguments and the debates about our armed forces having the right resources, the fact that there is a real passion to make sure that they have the resources they need is apparent to everyone, not least me. As I have already said, I have made and will continue to make the arguments that need to be made to ensure we have the right resources to enable our armed forces to fulfil the tasks that politicians in this House so often place on them.

Rebecca Pow (Taunton Deane) (Con): First, I commend the Government’s commitment to defence: we spend the largest amount of money on defence in Europe. However, the money must be well spent if we are to deal with the security threat. Does the Secretary of State agree that for the Marines, such as 40 Commando in Taunton Deane, to function at the top of their game, they must have the correct amphibious capability, which includes retaining HMS Albion and HMS Bulwark? I know that he will give this due consideration, because it is very important not just for Taunton, but for the nation.

Gavin Williamson: I will most certainly give that proper consideration, and I would be very happy to meet my hon. Friend. I have just visited the commando training centre, and it is quite clear that exceptionally high levels of training go into preparing every marine, as they do into preparing every member of our services. It is absolutely vital to understand the capability we have—not just the Marines, but 16 Air Assault Brigade and so much more—and the benefits they can bring to and their immediate effect on the field of conflict. We will feed all these comments and thoughts into the national security capability review.

Dan Jarvis (Barnsley Central) (Lab): The Secretary of State says that he will not be drawn on the detail, and to an extent that is understandable. Is not the fundamental problem, however, that the review is already constrained in that we know it is fiscally neutral? Would not the best way to proceed be to look very carefully at the extensive range of threats we face as a country and to allocate resource and capability accordingly?

Gavin Williamson: The hon. Gentleman makes a very important point. I know that the first thing at the forefront of the minds of the Chancellor and the Prime Minister is making sure we get the right outcome. Everyone is very keen to listen and to look at how to get the right solutions for this country’s needs. I thank the hon. Gentleman very much for his contribution.

Dr Sarah Wollaston (Totnes) (Con): The Liaison Committee was unanimous in supporting the request of the Chair of the Defence Committee, my right hon. Friend the Member for New Forest East (Dr Lewis), to have the National Security Adviser appear in front of the Committee. My right hon. Friend the Secretary of State will know that there are precedents for the National Security Adviser appearing in front of the Defence Committee, the Foreign Affairs Committee and elsewhere, and Parliament has never accepted the Osmotherly rules, so will he give permission for the National Security Adviser to appear?

Gavin Williamson: I am afraid that my hon. Friend is asking me something I cannot deliver. I can offer the Chief of the Defence Staff if she would like him, but I cannot offer the National Security Adviser. However, I will certainly pass on her request to Mr Sedwill.

Chris Bryant (Rhondda) (Lab): There is danger, is there not, of an ever-diminishing spiral? Governments and political parties say they will have 82,000 or 80,000 in the Army, but fail to recruit that many and end up saying, “All right, there’ll be 75,000,” and then the figure will be 70,000, and so it will go on and on. If we fail to recruit enough and the Government fail to fulfil their promises, this country will in the end be left without sufficient defence.

Gavin Williamson: Let us make it absolutely clear: the reason we are looking so clearly at how we go about our recruitment is to make sure we meet the target and fully recruit, and that is why we are changing our approach. As is often said, “If you always do what you always did, you will always get what you always got.” We are trying to look at how to do this differently, so that we hit our numbers and get the right people who want to serve our country, and that is why we are going to do things differently. We have already seen a 15% increase in applications, and I hope that that will continue to rise.

James Gray (North Wiltshire) (Con): It is perfectly reasonable that the Secretary of State cannot say much until the national security capability review has been completed, so when will that be?

Gavin Williamson: I hope very soon, so that I do not have to sound quite so evasive. I hope it will happen in the very near future, but I am not yet at liberty to name a date.
Mr Speaker: Pursuant to a point made earlier, I would say to the Secretary of State that the appearance in the newspapers of briefings, which I am certainly not suggesting hail from him, is something that greatly irritates Members of the House. It is therefore very much to be hoped that before the conclusion of the review, there are no further such briefings. If there are, I rather imagine that I will be confronted with further review, there are no further such briefings. If there are, I much to be hoped that before the conclusion of the irritates Members of the House. It is therefore very much to be hoped that before the conclusion of the review, there are no further such briefings. If there are, I rather imagine that I will be confronted with further review, there are no further such briefings. If there are, I

Ruth Smeeth (Stoke-on-Trent North) (Lab): On that point, I stand here as chair of the all-party parliamentary group on the armed forces covenant. The reality is that the leaks to papers are undermining morale and the confidence of families, and sending completely the wrong message to our allies. We need answers and we need them now, if only for the people who are serving. They need to know whether they will be serving in Plymouth, or be moved to Colchester.

Gavin Williamson: The hon. Lady makes a powerful point on morale in the armed forces. To read speculation in the newspapers is not good for anyone. That is why I hope we can conclude the national security capability review at the earliest possible moment; then, we can make clear some of the options and what we want to do to take our armed forces forward and to make sure that they have the right investment, so that they continue to be the successful, vibrant organisations in which so many people take great pleasure and pride in serving.

Dr Andrew Murrison (South West Wiltshire) (Con): Does the Defence Secretary agree that the British Army headcount now is at an irreducible minimum? Does he also agree that the Seddiew review must deal principally with the threats that face this country—cyber and terrorism, and asymmetry—and will he reconcile the two?

Gavin Williamson: We will continue to do everything we can to fulfil our commitment. I confess that, probably like all Defence Secretaries, I am a little greedy: I would always prefer to have larger numbers in our armed forces. In the coming months, we will do all we can to drive up the numbers through the new recruitment campaign. We hope that will attract significant uptake and an increase in the number of people joining our forces.

Mrs Madeleine Moon (Bridgend) (Lab): Had the Secretary of State been able to join us last Thursday, he would have heard across the House a cry for reassurance. Many of us here are also members of the NATO Parliamentary Assembly and represent this House and this country across the NATO alliance. I have to tell the Secretary of State that that cry for reassurance, that demand to know that we are able and capable and have the people, the personnel and the equipment to defend the NATO alliance, is shared by our allies. They are also desperate to hear the results of the national security capability review. Are the Secretary of State and the Government aware of that and of the need to reassure our allies?

Gavin Williamson: Yes. We need to reassure our allies that Britain will continue to play a pivotal role not only in the defence of Europe, but in actions in every part of the world, where we bring unique capabilities—the ability to make a difference, as we have done throughout our history. I am as keen as the hon. Lady to bring the national security capability review to a conclusion, so that we can set out our clear vision for our armed forces. They are the best in the world. We have to continue to invest in them. We are increasing the amount of money we spend on our armed forces, and we need to make sure that the whole world understands our commitment to delivering a global Britain.

John Redwood (Wokingham) (Con): The Secretary of State took over in a difficult situation, because there were a lot of vacancies in the armed forces. I was pleased to hear him say that he wishes to bring the totals back up and that that is mainly a recruitment problem, which he thinks he may be able to resolve. Does he have the money in the budget if all those people come forward?

Gavin Williamson: Yes, we do.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): With Russia on the rise, our allies under threat and our northern flank vulnerable from Russian naval power, the threat from the Russian great bear is clear. Does the Defence Secretary understand that there is no support from any part of this House for any further cuts to our Royal Navy and our Royal Marines or for mergers that reduce the capabilities of our armed forces?

Gavin Williamson: The threat that the hon. Gentleman talks about is what prompted the security capability review, and that is why we are looking at how best we deal with that threat going forward.

Jack Lopresti (Filton and Bradley Stoke) (Con): I am proud that we are one of the few members of NATO to actually maintain the 2% of GDP and exceed it. What can we do to ensure that other NATO members actually pay their fair share?

Gavin Williamson: That point has been echoed by not just myself but the US Administration. We need to make sure that everyone understands that every country in NATO has to contribute towards the collective security of Europe and that that is not something that can be outsourced to another nation.

Tom Brake (Carshalton and Wallington) (LD): Our Prime Minister is meeting President Macron later this week in Sandhurst. The French are our major defence partners. Will they be consulted as part of the review, particularly in terms of the implications post Brexit for our ability to co-operate with them and other EU partners?

Gavin Williamson: It is a sovereign decision as to how we spend our money on our armed forces, and that decision should be made purely in this country. However, we have worked, and we continue to work, with the French, as we do with the United States, and they are important partners in ensuring we have the stability and security in Europe that benefits every European nation.

Mrs Anne Main (St Albans) (Con): I am pleased the Secretary of State is focusing on recruitment. May I put a plea in for the cadets? Many of our cadets go on to serve in the forces they support. However, many cadet units have disappeared from our schools, which is a
We must go higher—possibly to see the return of decisions that had to be made. I agree with colleagues to recognise their service, but I had the privilege to be there and to recognised their service, but the laying-up of the colours of 3 Mercian, (Ruth Smeeth) and several other colleagues, I had the opportunity to be there and to recognise their service, but they also make sure, in communities right across the country, that our armed forces play such an important role in the life of those local communities.

Toby Perkins (Chesterfield) (Lab): The Secretary of State has referred at least twice to the manifesto commitments on numbers that he and all his colleagues were elected on. He has been slightly vague about this, so will he be absolutely specific that it is the Government’s policy, under the manifesto he stood on in 2017, that the British Army will not go below 82,000?

Gavin Williamson: Our commitment was to maintain the size of the armed forces, and we absolutely stick by that commitment.

Jeremy Lefroy (Stafford) (Con): On Saturday, together with my hon. Friend the Member for Lichfield (Michael Fabricant), the hon. Member for Stoke-on-Trent North (Ruth Smeeth) and several other colleagues, I had the honour to be at the laying-up of the colours of 3 Mercian, the Staffords, in Lichfield cathedral. It was a great privilege to be there and to recognise their service, but at the same time it was a reminder of the difficult decisions that had to be made. I agree with colleagues that 82,000 is an absolute minimum for the Army, and we must go higher—possibly to see the return of 3 Mercian—and certainly not lower.

Gavin Williamson: I would very much like to reintroduce the Staffordshire Regiment as part of any changes, and that is something I would like to look at going forward. I may have some more battles to win before I get to that stage. However, I take on board my hon. Friend’s comments, and I am very conscious of the important role that the armed forces—especially the Royal Signals—play in Stafford, of how they are so involved in the local community and of how important the money we spend on our armed forces is to the economic prosperity of Stafford and Staffordshire.

Graeme Morris (Easington) (Lab): The Secretary of State listed areas that would be protected, including aircraft carriers. Could the red line be extended to the amphibious assault ships—the Albion-class ships—and may I respectfully point out that a reduction in our amphibious capability would fundamentally diminish our ability to carry out humanitarian missions?

Gavin Williamson: We need a broad range of capabilities, and I will certainly take on board the hon. Gentleman’s comments. We must maximise our capability, make sure it is affordable and give our armed forces the right training and equipment for them to do their job right around the globe.

Sir Edward Leigh (Gainsborough) (Con): Many of us are sympathetic with the Secretary of State in his battle royal with the Treasury—after all, we are down to our last 13 frigates and six destroyers—and think that we should be spending 3% of gross national product, not 2%, but how many of us will support the Treasury when, having achieved our aims and we do spend 3% of GNP on defence, we cut the budgets of other Departments?

Gavin Williamson: I think that I will refer that question to Treasury questions as something the Chancellor might like to take up.

Diana Johnson (Kingston upon Hull North) (Lab): While we are talking about the Chancellor, will the Defence Secretary say what he thinks about the fact that early last month the Chancellor is understood to have told defence chiefs that an army only needs 50,000 full-time professional soldiers?

Gavin Williamson: As already touched on, there is an awful lot of speculation, and I am sure that much of it is not based on fact. The Chancellor was a great defender of the armed forces when he was Defence Secretary and is passionate about what they do. I am sure that that passion still burns in his heart today.

Kevin Foster (Torbay) (Con): The importance of amphibious capability is summed up by the famous quote: the British Army is a projectile to be fired by the British Navy. Will the Secretary of State reassure me that he will do everything in his power to make sure that at the end of the review that statement is still the case?

Gavin Williamson: We have seen how British forces have been consistently able to deploy effectively around the world using land, sea and air. That requires a broad range of capabilities. We have to look at new ideas: how do we fight differently; how do we get different equipment; how do we get more efficient and capable equipment? That is why we are doing a national security and capability review—to see whether we can get answers to some of those questions—but I am afraid that I cannot be drawn on specifics.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What assessments are being undertaken as part of the review on the savings that could be made by home basing Welsh regiments in Wales, which would help with recruitment and post-service medical care?

Gavin Williamson: The Principality of Wales plays an important role in all we do in defence—it would be great to see national Armed Forces Day taking place in Wales. We are always looking at how to ensure an even distribution of resources in terms of the Army, Navy and Air Force—RAF Valley is an important part of our training capability for the Royal Air Force based in Wales—but we will always look at how we can do more in Wales. It contributes so much to everything we do in our armed forces—the Royal Welsh Fusiliers are currently serving in Estonia—and I am sure that that important role will only increase going forward.

Johnny Mercer (Plymouth, Moor View) (Con): We all understand why the Secretary of State cannot comment publicly, but there is a human element to all this: good men and women up and down this country and their families want somebody to come out and publicly refuse...
the proposals that have come forward. Will the Secretary of State agree that now is a good opportunity to get a grip on this process and lay out a broad vision for UK defence post Brexit?

Gavin Williamson: My hon. Friend makes a powerful point. We need to draw these matters to a conclusion as swiftly as possible and make sure that people have a clear idea of our intent—how we are going to develop our armed forces and make sure they have the right resources to deliver everything we ask of them. That is what we aim to do. We have the best armed forces in the world; and we have to maintain that. If we want to ensure that Britain remains a global nation that can project power in every part of the globe, we need an armed forces with the resources and manpower to do that. That is what I aim to deliver.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The House learned from the defence debate on Thursday that one of the cruxes of the issue of defence budget pressures is the fact that the defence rate of inflation is considerably higher than the national rate. Year on year, it erodes the purchasing power of defence. However, the Ministry of Defence and the Treasury stopped measuring the defence inflation rate last year. As part of the review, will the Secretary of State commit himself to reinstating measurement of defence inflation, and, in order to be truly fiscally neutral, will he ensure that the annual defence budget increases are pegged to the defence rate of inflation?

Gavin Williamson: That is a very important comment. Foreign exchange rates have had an adverse effect on our ability to buy equipment such as the F-35 fighter. We will always be happy to look at suggestions such as the one made by the hon. Gentleman. Gentleman, and I will certainly raise it with the Treasury, but I cannot guarantee the response.

Mr Speaker: Richard Grosvenor Plunkett-Erle-Drax.

Richard Drax (South Dorset) (Con): History, sadly, has shown us that politicians are all too easily tempted to cut our armed forces in order to spend money in other areas. May I urge my right hon. Friend not to do so? We are leaving the European Union, and I believe that our commitments and responsibilities will grow, not least because by the time 27 other countries have decided to do something, it will be too late.

Gavin Williamson: That is why the Government are committed to growing our efficiency budget from £36 billion to £40 billion, increasing the amount of money that we spend on equipment by 0.5% above inflation every single year. These are important points. The first duty of every Government is the defence of the nation, and that is why this Government take it so incredibly seriously.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Much has been made of the Secretary of State’s relative youth in comparison with that of his predecessors. With that in mind, I was reminded of a quotation from Dante at the weekend, when I was reading about their predicament. “In the middle of the journey of our life, I came to myself in a dark wood where the direct way was lost.” Can the Secretary of State enlighten the House about the instructions on the map showing the way out of the “selva oscura” in which he and his Prime Minister now find themselves?

Gavin Williamson: Probably not. I have not read much Dante. I am more of a Burns fan. I have felt a great deal older over the last two months, since starting this job: I think that it ages people an awful lot. I believe that we are all simply committed to ensuring that we get the very best for our armed forces, and I am sure that the hon. Gentleman will be four-square behind our delivering it.

Mr Speaker: The hon. Member for West Dunbartonshire (Martin Docherty-Hughes) is of a notably literary turn, as is becoming increasingly apparent in the House. I expect that we will hear further expositions in due course.

Robert Courts (Witney) (Con): On Friday I visited Nos. 10 and 101 squadrons at Brize Norton in my constituency, and I could see how hard they were working. This morning my constituents were out providing tanking support for the Typhoons that were investigating the latest Russian reconnaissance. Does my right hon. Friend agree that now is the time when we need to match spending with the size of the threat, rather than scaling down our response to that threat in order to fall into line with spending?

Gavin Williamson: The review is very much about examining the threats and ensuring that we have the right resources, and that we deliver for the security of our country. Wherever we go, all around the globe, we so often see my hon. Friend’s constituents playing a vital role in ensuring that our armed forces are able to function in every part of the world.

Nigel Huddleston (Mid Worcestershire) (Con): Thank you, Mr Speaker. This must be like opening a box of chocolates and realising that all your favourites have gone and there is just a strawberry cream left. However, I am glad that my patience has won out.

Earlier, the Secretary of State mentioned the changing nature of our security challenges. Does he agree with the Minister for Security and Economic Crime that the big tech companies must do more, and that they may face a special tax levy if they do not do more to help combating terrorism?

Mr Speaker: The hon. Gentleman really should not do himself down. I have every expectation that the people of his constituency have been listening to the entirety of these exchanges principally for the purpose of waiting to hear him.

Gavin Williamson: My hon. Friend comes up with an innovative idea for hypothecation of tax in terms of the MOD, and I would be keen for him to expand that idea and push it with the Chancellor going forward.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. I am grateful to you for taking this point of order now, but the Secretary of State has a couple of times used the words “Islamic terrorists.” I think he meant “Islamist terrorists”; I am certain he did, and it is important that we make that distinction in this House, as I am sure he would want to, and I just want to give him the opportunity to correct the record on that.
Gavin Williamson: I thank the hon. Gentleman for bringing that to the House's attention, and he is absolutely correct.

Mr Speaker: The hon. Member for Rhondda (Chris Bryant) has performed a notable public service; it will be recorded in the Official Report, and I am very grateful to the Secretary of State.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): On a point of order, Mr Speaker. The Secretary of State, who is a very nice man, referred to Wales as a Principality during the exchanges. He knows, of course, that Wales is a proud nation; will he please correct the record?

Gavin Williamson: I know of course that it is a very proud nation that contributes so much to our armed forces. I am not that great on my Welsh history, and I am sure the hon. Gentleman knows a lot more about it than me, but I think it has been referred to as a Principality for hundreds of years, but I could well be wrong.

Carillion

4.21 pm

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr David Lidington): With permission, Mr Speaker, I wish to make a statement to update the House on the situation relating to Carillion Plc.

Today the directors of Carillion concluded that the company is insolvent and that it is going into liquidation. The court has appointed the official receiver as the liquidator. It is regrettable that Carillion has not been able to find suitable financing options with its lenders, and I am disappointed that the company has become insolvent as a result. It is, however, the failure of a private sector company and it is the company’s shareholders and lenders who will bear the brunt of the losses; taxpayers should not, and will not, bail out a private sector company for private sector losses or allow rewards for failure.

I fully understand that both members of the public and particularly employees of companies in the Carillion group will have concerns at this time, and the Government are doing everything possible to minimise any impact on employees. Let me be clear that all employees should continue to turn up to work confident in the knowledge that they will be paid for the public services they are providing. Additionally, in order to support staff—and in this instance this will apply to staff working for the private sector as well as for the public sector contracts of the Carillion group—we have established a helpline using Jobcentre Plus through its rapid response service.

The Government are also doing everything they can to minimise the impact on subcontractors and suppliers who, like employees, will continue to be paid through the official receiver. The action we have taken is designed to keep vital public services running, rather than to provide a bail-out on the failure of a commercial company. The role of the Government is to plan and prepare for the continuing delivery of public services that are dependent on these contracts, and that is what we have done.

The cause of Carillion’s financial difficulties is, for the most part, connected not with its Government contracts, but with other parts of its business. Private sector contracts account for more than 60% of the company’s revenue, and the vast majority of the problems the company has encountered come from these contracts rather than the public sector.

Our top priority is to safeguard the continuity of public services, and we have emphasised that to the official receiver. We are also laying a departmental minute today notifying the House of a contingent liability incurred by my Department in indemnifying the official receiver for his administrative and legal costs. The official receiver will now take over the running of services for a period following the insolvency of the company. The Government will support the official receiver to provide these public services until a suitable alternative is found, either through another contractor or through in-house provision. The court appointment of the official receiver will allow us to protect the uninterrupted delivery of public services—something that would not have been possible under a normal liquidation process.

The official receiver is also under a statutory duty to investigate the cause of failure of any company. He is under a duty to report any potential misconduct of the
directors to my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy. My right hon. Friend has asked that the investigation look not only at the conduct of the directors at the point of the company’s insolvency but also at that of any previous directors, to determine whether their actions might have caused detriment to the company’s creditors. That includes detriment to any employees who are owed money. The investigation will also consider whether any action by directors has caused detriment to the pension schemes.

Carillion delivered a range of public services across a number of sectors, including health, education, justice, defence and transport, and in most cases the contracts have been running successfully. We have been monitoring Carillion closely since its first profit warning in July 2017, and since then we have planned extensively in case the current situation should arise. We have robust and deliverable contingency plans in place. These are being implemented immediately to minimise any disruption and to protect the integrity of public service delivery. Other public bodies have been preparing contingency plans for the contracts for which they are responsible. The majority of the small number of contracts awarded after the company’s July profit warning were joint ventures, in which the other companies are now contractually bound to take on Carillion’s share of the work. For example, the Kier group, one of the joint venture partners for HS2, confirmed this morning in a release to the stock exchange that it had now put in place its contingency plans for such an eventuality.

I recognise that this is also a difficult time for pension holders. The Pensions Advisory Service has set up a dedicated helpline number for staff and pensioners who have concerns about their pensions. Those who are already receiving their pensions will continue to receive payment from the various pension funds, including the Pension Protection Fund. For those people who have started an apprenticeship programme with Carillion, the Construction Industry Training Board has set up a taskforce to assist apprentices to seek new employment, while also working with the Education and Skills Funding Agency to find new training placements. The official receiver will be in contact with all apprentices. Companies and individuals in the supply chain working on public sector contracts have been asked to operate as usual. Normally, in the event of a company going into liquidation, the smaller firms working for it move across to the new contractor when it takes on the work.

The private sector plays an important and necessary role in delivering Government services—something recognised by this and previous Governments of all political parties. Currently, 700 private finance initiative and private finance 2 contracts reflecting capital investment of up to approximately £60 billion are being delivered successfully, and we also have a number of service provision contracts being delivered successfully by a range of companies. Such contracts allow us to leverage the expertise of specialist providers and to deliver value for money for taxpayers. I would like to reassure the House that we are doing all we can to ensure the continuity of the public services provided by Carillion and to support an orderly liquidation of the company.

I shall write to all right hon. and hon. Members today to summarise the situation and to inform colleagues of a helpline for the use of Members and their staff to provide answers in the fastest possible time to any constituency problems that may arise. Along with other ministerial colleagues, I shall keep the House updated on developments as the official receiver starts to go about his work. I commend this statement to the House.

4.29 pm

Jon Trickett (Hemsworth) (Lab): I thank the Minister for an advance copy of the statement. The House will conclude that it was recklessly complacent for the Government to seek to avoid responsibility and to place it on to the company. After all, Carillion provides 450 separate taxpayer-funded contracts to the public, with 20,000 people working directly for it and many thousands more in the supply chain. All those thousands of people will have heard his reference to Jobcentre Plus with a shudder of fear for their futures at the beginning of a new year.

Will the Minister confirm that Carillion provides services to this Conservative Government in 50 prisons, 9,000 schools, 200 operating theatres and 11,000 hospital beds, as well as across a whole series of infrastructure works? Two fifths of Carillion’s income is paid by the taxpayer, so when did the Government first realise that Carillion was in trouble? After all, it had three chief executive officers in a short space of time, made three separate profit warnings and its stock was already subject to short selling on the stock exchange back in 2015. The Minister says that the Government were monitoring the company, so why did they leave the position of the Crown representative observing Carillion vacant for more than three months? How can they explain that £2 billion-worth of Government contracts—taxpayers’ money—was awarded despite all the information that has clearly been in the public domain? I have been asking questions about Carillion in this House for over three months. Why was it apparent to everyone except the Government that Carillion was in trouble? The Secretary of State for Transport in particular has questions to answer. Can the House be told what the Government knew about Carillion’s financial health when they awarded a £1.4 billion contract for HS2 quite recently?

The Minister has failed to satisfy the House that the jobs of Carillion’s employees and all those in the supply chain will be safeguarded. Will he confirm that the pay, conditions and jobs of those staff are the Government’s priority? Why has he apparently not had a single conversation with representatives of the workforce about their jobs and pensions? Those people should be a higher priority than the executives’ bonuses, which appear to have been safeguarded. Will he assure the House that Carillion is not the first in a series of suppliers that will fall one after the other like dominoes?

The Government have announced that public money will be given, presumably to the liquidator, to carry out vital public service contracts, but does that not mean that decisions about those contracts have now slipped out of the Government’s control and into the hands of an unaccountable administrator? Would not the simplest, most effective and most democratic way to handle all the contracts have been to bring them back into the public sector, where the ethos of serving the public prevails, rather than that of private profit? Is it not the case that the Government themselves and the Conservative party have too cosy a relationship with the chair of Carillion’s board who—believe it or not—is the
Government’s chosen corporate responsibility tsar? He also urged people to vote Tory during the 2015 election. It is a chumocracy.

Is it not time that we reversed the presumption in favour of outsourcing once and for all? After all, this is not about the failure of a single company, but of a whole ideological system of contracting out public services. The Government are incompetent in office, reckless with taxpayers’ money and helpless with public services. Is it not time that they made way for an Administration that care, and will exercise due diligence?

Mr Lidington: First, may I correct the hon. Gentleman on one specific point about schools? He said that 9,000 schools have contracts with Carillion, but the figure I have is about 230—219 plus a small number of building contracts—which is much smaller than the exaggerated figure that he gave the House.

As I said in my statement, 60%—roughly three fifths—of Carillion’s revenues are actually from contracts that have nothing to do with the United Kingdom Government. Indeed, the problems that Carillion faced arose in the most part from those contracts, not from Government contracts.

The position of private sector employees is that they will not be getting the same protection that we are offering to public sector employees beyond a 48-hour period of grace, during which the Government will sustain the official receiver to give time for the private sector counter-parties to Carillion to decide whether they want to accept termination of those contracts or to pay for the ongoing costs. That is a reasonable gesture towards private sector employees.

As for those who have been employed by the Carillion group to deliver public service contracts, the Government are continuing to pay their wages for the services delivered—those payments are being made through the official receiver, instead of through Carillion. That money, of course, is budgeted for by various Departments, local authorities and NHS trusts. The best help that one can give to employees delivering vital public services is to give them the assurance that we are continuing to pay their wages and salaries, and not to indulge in the sort of scaremongering to which I am afraid the hon. Gentleman is prone.

The private sector employees are entitled to know that assistance will be there from Jobcentre Plus after the 48-hour period of grace runs out, when a number of them may face termination of the Carillion contracts through which they have been employed.

The hon. Gentleman asked about the contracts that were awarded after the first profits warning in 2017. As I said earlier, there was a small number of those contracts. The defence contracts were actually agreed and signed before the profits warning, although they were announced afterwards. The Government, quite rightly, have to operate a fair and transparent procurement process, guided by the Public Contracts Regulations 2015. There are a number of tests of financial capability for potential contractors. At the time when all those post-July 2017 contracts were bid for and awarded, Carillion met all the mandated tests, so it would have been, to put it mildly, a legal risk to have treated Carillion any differently from other bidders that were able to meet the tests.

In the light of what was in the public domain about Carillion’s profits warning, the Government Departments responsible for the contracts ensured that there were arrangements, such as the joint venture provision, to give protection in the event of Carillion being unsuccessful in its attempts, about which it was confident, to secure an agreement with its bankers. I emphasise that no money is paid to Carillion, or to any other contractor, other than for services that are actually delivered, so there is no question of money being spent twice for the same service.

I am disappointed that the hon. Gentleman resorted to party politics in his response. It is worth reminding ourselves of who awarded Carillion its contracts. Of the Carillion contracts that, until this morning, were still active, roughly a third were awarded by the Conservative Government, roughly a third were awarded by the coalition Government when the right hon. Member for Twickenham (Sir Vince Cable) was Secretary of State for Business, Innovation and Skills, and the other third were awarded by the Labour Government, during which time the hon. Member for Hemsworth (Jon Trickett), as he knows, worked in the office of the then Prime Minister.

When the hon. Gentleman returns to this subject, I suggest he treats it with the seriousness it deserves and does not preach sermons without taking a long, hard look in the mirror.

Nicky Morgan (Loughborough) (Con): First, let me pay tribute to my right hon. Friend’s calm and workmanlike approach in working through all the contracts and liabilities, which is absolutely the responsible thing to do. I note what he says about the financial capabilities, awarding and the public procurement rules, and I am sure there are many questions to be asked about that and about future arrangements. However, may I just ask him about the small and medium-sized enterprises in the supply chain? Many companies supply Carillion contractors and are in contracts, and they will be concerned about meeting liabilities, perhaps to Her Majesty’s Revenue and Customs or to others. Has he or his Department had discussions with HMRC about things such as time to pay arrangements, so that SMEs are given time, rather than being under pressure to keep paying the taxman?

Mr Lidington: I am grateful to my right hon. Friend for that. Let me make two points in response to her. First, the Government, through the official receiver, are continuing to make provision for payments both to suppliers and subcontractors. If any subcontractor experiences any difficulties, I encourage them to talk to the first place to the Insolvency Service. This is exactly the sort of risk that led us to decide to set up a hotline for Members of Parliament and their staff, so that if anything does seem to be going wrong, Ministers can be alerted to it rapidly. May I also say to her that HMRC and the Treasury have been fully in the loop at all stages of these discussions, but I will make sure the point she has just made to the House is reinforced when I chair a meeting of interested Ministers later today?

Tommy Sheppard (Edinburgh East) (SNP): I thank the Minister for advance sight of his statement. Obviously, our immediate thoughts are with the workers involved and their families—those affected by this announcement directly and the many thousands more who are indirectly affected. I am aware that the Scottish Government are
working with the liquidator to try to work on contingency plans, and I seek an assurance from him that he will assist the Scottish Government in those endeavours. I also want to know what assurances he will give that UK-funded projects in Scotland will continue in light of Carillion’s collapse. What assurances can he give to the workers involved that their jobs will be safe?

Since July last year, the Scottish Government have been setting about trying to manage the risk involved in these contracts, and we have to ask: given that since last July the UK Government have awarded more than £2 billion-worth of contracts to this company, despite it having had three profit warnings, what due diligence has been undertaken by UK Ministers? Is it incompetence or ideology that has led Ministers to sign off multi-million contracts to a company that was on the verge of going bust? It was not the employees or the communities that depend on these contracts that awarded the contracts, so it is for the Government to intervene and pick up the pieces when something like this happens. In recent years, we have had similar things happen in Scotland—we had Tata steel in Motherwell, BiFab engineering in Fife and others—and the Scottish Government worked night and day to save those jobs and they succeeded. I would welcome a similar commitment from the UK Government to make that effort to try to protect these jobs.

In conclusion, many thousands of people are today worried about whether they will have a job next week and, if they do, who will be paying their wages and will their pension will be protected, so it is important that assurances are given that safeguards will be in place. There will be some joint venture projects, where other companies can take over the contract, and there may be some projects that can be easily transferred to another company. But there will also be some projects where the only solution will be to take the jobs and the project in-house and for them to be directly managed by the Government or their agencies. I seek an assurance from the Minister that where those circumstances pertain, that is what the Government will do in order to safeguard jobs and their services, which these contracts provide.

Mr Lidington: The hon. Gentleman spoke to this issue with the seriousness it deserved and in a constructive fashion. I can give him two assurances. The first is that the Government are certainly going to continue to pay the wages—salaries, as well as those of suppliers and subcontractors—in respect of UK Government contracts in Scotland, in the same fashion as occurs anywhere else in the UK. Secondly, as I think I said in my statement, the Government will be in discussions with the official receiver about the future provision of those services. I believe we will end up with a situation in which some are transferred to an alternative external contractor but others are taken in house by a Department or other agency of government.

On contact with the Scottish Government, we have had regular and constructive communications with them throughout the period in which the UK Government have been monitoring Carillion. Our priority has been to maintain public and essential services in every part of the UK, whether those are the responsibility of UK Government Departments or of devolved bodies. This morning, my right hon. Friend the Secretary of State for Scotland spoke to Keith Brown MSP, the Scottish Government Cabinet Secretary for the Economy, and assured him of the UK Government’s determination to support the Scottish Government in responding to the concerns of pension stakeholders, employees and contractors in Scotland, as well as those everywhere else in the UK.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I commend my right hon. Friend for his swift and urgent action on this issue. I urge him to pay no attention whatsoever to the politicking coming from the Opposition Benches, because it was of course Labour Members who, when in government, drove the process of private sector involvement hard. They did so for a very good reason: they said that it brought expertise that does not exist in the public sector to the running of these kinds of contracts.

Nevertheless, as we look into these matters—I am sure there will be a review—we should bear in mind two elements that when I was a Minister it always struck me were missing in the public sector. The first is direct contract management on a very regular basis, the lack of which was often the reason why some of these contracts drifted. That needs to be looked at very specifically. Secondly, the Government—probably the Cabinet Office—might want to think about having some kind of capability to review regularly the situation for companies that are engaged in large public contracts, to see what their status is on a wider basis.

Mr Lidington: I am grateful to my right hon. Friend for his suggestions. I note that the Chair of the Public Administration and Constitutional Affairs Committee, my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), said today that his Committee is going to launch an inquiry into Government procurement. My right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) makes some important points about the need to have a look at how successive Governments have conducted the procurement process. I hope he will understand if I say that today, and in the immediate future, my wish is for Ministers and officials to focus above everything else on the continuity of the provision of public services and on doing all that we can to give help and reassurance to employees, subcontractors, suppliers and pension holders. There will be an occasion to return to some of the broader questions posed by my right hon. Friend.

Eleanor Smith (Wolverhampton South West) (Lab): This morning, the 400 employees who work in the Carillion headquarters in my constituency in Wolverhampton, along with many others, woke up to the news that Carillion had gone into liquidation. It probably felt like a bomb had hit them. The Minister says that the Government are going to give them support, but what type of support will that be? It is absolutely not enough to say that people can ring the jobcentre. What other futures are there for those employees? I seek an urgent meeting with the Minister to discuss this issue, because the headquarters are in my constituency. Will the Government commit to investigating why contracts continued to be handed to Carillion despite the company’s known difficulties?

Mr Lidington: On the hon. Lady’s last point, I responded at quite some length to similar points made by her Front-Bench colleague, the hon. Member for Hemsworth (Jon Trickett). The Government are, as I have said more than once in these exchanges, not only offering advice
but paying the wages and salaries of people who are involved in the delivery of public services, until such time as the official receiver has found an alternative provider, whether in the public or private sector. I am happy for either I or another Minister in my Department to meet the hon. Lady to talk about her particular constituency concerns.

Sir William Cash (Stone) (Con): On the HS2 aspect of this—my hon. Friend the Member for Stafford (Jeremy Lefroy) joins me in this question because HS2 carves straight through our constituencies—will my right hon. Friend make publicly available the assessment of the Government and HS2 Ltd of the impact of Carillion’s collapse and the viability of the HS2 project itself and the substituted contracts and subcontracts, and also the effect that he believes it will have on my constituents and the constituents of my hon. Friend?  

Mr Lidington: I can certainly well understand the importance of this issue to my hon. Friend’s constituents and those of many other hon. and right hon. Members. The answer in respect of the particular contract that was awarded last year is that the two other private sector parties are now bound contractually to take over the responsibilities previously allotted to Carillion and to do so for exactly the same price as was set for the three-party consortium in the first place. I will refer his broader points about HS2 to my right hon. Friend. Friend the Secretary of State for Transport who I am sure will be in touch with him.

Emma Reynolds (Wolverhampton North East) (Lab): While 20,000 people across the UK, including 400 employees in Wolverhampton at Carillion’s headquarters, are now at risk of losing their jobs, it seems that the senior management of Carillion have changed the rules so that they can keep hold of their exorbitant bonuses. Does the right hon. Gentleman think that that is fair, and if he does not, what will the Government do about it?

Mr Lidington: I can certainly well understand and appreciate that sense of unfairness on the part of the hon. Lady’s constituents. It would be wrong for me from the Dispatch Box to pre-empt the inquiry that the official receiver will carry out into the conduct of both the officials of Carillion and of the former chief executive will stop as of today, and that the liquidator will not be allowed to sell any of the company’s assets until the inquiry has been concluded. Unfortunately, those words seem to have come true. While my right hon. Friend is looking at the assessment of the effect on the constituency of my hon. Friend, the Member for Stone (Sir William Cash), will he also look at the other failures of HS2, management and Government?

Dame Cheryl Gillan (Chesham and Amersham) (Con): The whole House will be concerned for the employees who are facing an uncertain future, and I preface my remarks by showing my concern as well. On 17 July, I brought the Secretary of State for Transport to this House at 10 o’clock at night to answer the questions that I raised about HS2 contractors and the unacceptable risks to the taxpayer, and that included Carillion. Unfortunately, those words seem to have come true. While my right hon. Friend is looking at the assessment of the effect on the constituency of my hon. Friend, the Member for Stone (Sir William Cash), will he also look at the other failures of HS2, management and Government?

Mr Lidington: My right hon. Friend speaks, as always, both eloquently and forcefully on behalf not only of her constituents, but of very large numbers of people in the constituencies along the HS2 route. As I said in my response to my hon. Friend the Member for Stone (Sir William Cash), the particular HS2 contract that is at issue today will be covered by the joint venture arrangement. In that sense, Carillion’s liquidation today will not make a difference to the cost of delivering those particular services to the HS2 project.

Rachel Reeves (Leeds West) (Lab): When Carillion collapsed at the weekend, it had debts of £900 million and a pension deficit of £600 million and yet, year after year after year, Carillion paid out dividends to its shareholders. Although the chief executive was jettisoned after the profits warning last July, he is still being paid a salary in excess of £600,000 a year until this coming October. Will the Government confirm that those payments to the former chief executive will stop as of today, and will the right hon. Gentleman agree that it is about time that we reformed our corporate governance laws so that companies cannot siphon off money to the detriment of suppliers, workers and, ultimately, the British taxpayer?

Mr Lidington: As I also said in response to the hon. Member for Wolverhampton North East (Emma Reynolds), I completely understand the concerns that pension contributors and existing pensioners will have. As I said earlier, the official receiver will consider potential detriment to the interests of pension contributors and pensioners as well as to employees of the company, and may seek to impose penalties. In addition, the Pensions Regulator has the powers to recover payments made to executives or others in the company if there is evidence that they have abused their responsibilities.

Sir Desmond Swayne (New Forest West) (Con): Is my right hon. Friend confident that we are capable of recognising when companies are bidding too aggressively?

Mr Lidington: As I said in response to my right hon. Friend the Member for Chingford and Wood Green, when the initial situation has stabilised there will be a need to take a fresh look at how the Government go about the contracting process. We will certainly wish to take into account the point that my right hon. Friend the Member for New Forest West (Sir Desmond Swayne) makes.

Mr Speaker: Order. I am sure that the people of Woodford Green would prefer to be known as the residents of Woodford Green rather than of Wood Green, and it may be that the residents of Wood Green would rather be known to reside in Wood Green than in Woodford Green.

Hilary Benn (Leeds Central) (Lab): Will the Secretary of State confirm that all annual fee payments made thus far by public authorities to Carillion in respect of private finance initiative contracts will now cease and that the liquidator will not be allowed to sell any of those contracts on to anyone else, so that there will not be a reward in the hands of others for the failures of this company?
Mr Lidington: I will look in more detail into that particular case and write to the right hon. Gentleman. The principle will be that one will need to find willing suppliers to take over the role of Carillion in a PFI, but on the basis of the information that I have been given today, no PFI faces an immediate crisis as a result of the liquidation.

James Duddridge (Rochford and Southend East) (Con): Southend constituents and those in broader Essex will be worrying about how the situation affects their public services. Will my right hon. Friend consider publishing a list—a spreadsheet—of all the contracts and all the affected constituencies and use that as a basis for updating the House on progress on individual projects as mitigation takes place?

Mr Lidington: We are seeking to analyse the spread of Carillion contracts so that we know which Members of Parliament are particularly affected. Some contracts, of course, are specific to a particular location while others provide a service across a much greater swathe of the country. What I can say is that so far today the reports from different Government Departments and agencies, whether one looks at schools, hospitals or other public sector providers, are that workers seem to be responding and services are being delivered as usual. I hope very much that that situation continues.

Stella Creasy (Walthamstow) (Lab/Co-op): The accounts show that in the last four years, on the PFI contracts alone, Carillion was part of deals that have made nearly £1 billion in profit directly from the public purse.

It is now clear that the notion, which all Governments have dealt with, that PFI is a good way to transfer risk to the private sector is a myth. Will the Government finally bring in a windfall tax to claw back the money so desperately needed for our public services from these companies? Or is it simply that they broke it but we will always end up fixing it?

Mr Lidington: The hon. Lady risks ignoring the £60 billion of capital investment that it has been possible to use to modernise and improve public services, and that would not have been available had this Government and their predecessors not used the PFI and PF2 approaches. The events of the past 24 hours have demonstrated that for private contractors this is not an easy ticket to riches; there are very real risks associated with taking on a contract. In this case it is—and rightly so—Carillion’s shareholders and creditors who are suffering very substantial losses as a consequence of the financial difficulties into which the company has fallen.

Stephen Crabb (Preseli Pembrokeshire) (Con): Does my right hon. Friend agree that sad occasions such as this demonstrate the importance of the strength and resilience of our model of pension protection? They also serve to underline the real importance of not allowing individual directors who might have put at risk employees’ pensions to walk away from their responsibilities. Will he assure the House that the investigation by the Pensions Regulator will be full and thorough?

Mr Lidington: My right hon. Friend makes a very good point. Obviously, the Pensions Regulator acts independently, but I am sure that both the Pensions Regulator and the trustees of the individual pension schemes will respond appropriately to what has happened. In addition, as I said earlier, the official receiver can take account of detriment to pensioners and pension contributors as part of his analysis.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Secretary of State has said that staff should continue to turn up to work and that they will continue to be paid, but he has also said that he is setting up a helpline at Jobcentre Plus. What assurance can he give the staff—I am thinking particularly of the 400 staff in the Wolverhampton headquarters, as well as staff around the country—that they should continue to turn up, when they face the prospect of that Jobcentre helpline? Also, can he say anything more about investigations into the company’s changes in corporate governance in 2016, which appear to make the clawback of future bonuses more difficult?

Mr Lidington: On the second point that the right hon. Gentleman makes, the issue is covered by the scope of the advice that my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy has given to the official receiver about how his inquiry into the conduct of existing and previous directors might develop.

On the right hon. Gentleman’s first point, the situation for all employees of Carillion group companies is that for the next 48 hours—even for private sector employees, rather than those who are providing public services—there is that certainty that they can continue to turn up to work. After 48 hours, either the private sector counterparty must agree to fund future provision, including the fees of the official receiver, or those private sector contracts of Carillion’s will be terminated. It is those people whom the helpline from Jobcentre Plus is particularly intended to help.

The Government will, as I said in my statement, continue for the time being to fund wages, salaries and payments to contractors and suppliers where that is necessary for the provision of key public services. That is to give the official receiver the time to arrange, in an orderly fashion, the transfer of service provision, either to a new contractor or to an in-house provider within Government.

Dr Andrew Murrison (South West Wiltshire) (Con): The Minister has offered reassurance in respect of joint venture partnerships with giants such as KBR and Kier Group, but what assessment has he made of arrangements such as CarillionAmey, which provides services to 50,000 MOD households—the homes of our brave men and women who serve in the armed forces?

Mr Lidington: The Ministry of Defence has been very closely involved in all the cross-Whitehall discussions about our contingency plans. The assessment by the Ministry of Defence is that that contingency planning means that the collapse of Carillion will have minimal impact on service personnel and their families. The facilities management contracts, which provide services to service personnel and their families, and which involved Carillion, are all through joint ventures. The other parties to those joint ventures are now contractually required to deliver all the requirements.
Mr Lidington: I am grateful to my hon. Friend for his comments. The Department of Health is looking at each of the different hospital construction contracts. Obviously, the way forward depends very much on the exact legal structure of those different contracts and on the stage that they have reached. For example, the chief executive of the Royal Liverpool and Broadgreen University Hospitals NHS Trust said earlier today that he saw no problem with moving forward to the completion of the new hospital construction work in Liverpool. The west midlands projects to which my hon. Friend refers are at a much earlier stage of development. However, I assure him that Health Ministers have this matter very much in their sights and I am sure that they will be in touch with him.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Despite the Minister’s comments, I remain deeply concerned about the future of the new Royal Liverpool University Hospital. When will the new arrangements be made and when will the hospital be completed? The people of Liverpool must not pay the price for Carillion’s failure.

Mr Lidington: I agree with the hon. Lady’s final sentence. I refer her to the very strong words of reassurance from the chief executive of her hospital trust that things are in train to deliver the new hospital within the timeframe that he was forecasting.

Peter Aldous (Waveney) (Con): Last week, under the ten-minute rule, I introduced, together with 11 colleagues, a Bill to tackle abuse of retentions in the construction industry. In preparing for that Bill, it very quickly became clear that Carillion was one of the worst offenders. Will the Minister give me an assurance that he will take this point into account in addressing the concerns of subcontractors? Will he also consider bringing forward my Bill during Government time?

Mr Lidington: On my hon. Friend’s last point, I promise, on a “without prejudice” basis, to examine the case for doing so and to discuss it with ministerial colleagues. On his broader point, as I have said in response to a number of hon. Members across the House, there is a case for the Government to take a fresh look at the procurement process. However, I do not want that, in the next few days and weeks, to get in the way of our immediate responsibility to make life as easy as it can be made for employees, pensioners and others who are very worried about their futures.

John Spellar (Warley) (Lab): I echo the concerns of my hon. Friend the Member for Liverpool, Riverside. The new Midland Metropolitan Hospital now towers over the terraced housing in the Smethwick part of my constituency. Despite a delay due to a design failure, work is now proceeding apace and it is two thirds completed. What will the Government be doing about ensuring the flow of funding and work so that the contract can be completed and we can look forward to the opening of this new, much-needed hospital?

Mr Lidington: Discussions are taking place with the trusts, with Carillion managers and contractors, with PwC—a special manager in the liquidation on behalf of the official receiver—and with the lenders to the project companies so that in coming days construction activities can continue without material disruption on crucial projects that the Government strongly support.
Mr Lidington: I had better not trespass on the responsibilities of the new Secretary of State for Justice, but I can say that contingency plans at the Ministry of Justice included the creation of a Government company that is available to take on the provision of these services at any time.

Liz McInnes (Heywood and Middleton) (Lab): Carillion is responsible for 11,800 in-patient beds, so what action will the Government take immediately to avoid exacerbating the current NHS winter crisis?

Mr Lidington: The word from hospital trusts today so far has been that the work of hospitals has not been materially affected by the collapse of Carillion. The Department of Health has not been looking at this in isolation. In preparing contingency plans, it has been talking for some time to the NHS trusts that use Carillion as a contractor. The contingency plans address these issues with the aim of minimising disruption and making sure that services to patients continue both safely and to a high standard.

Craig Mackinlay (South Thanet) (Con): I highlighted the point I want to raise in a Westminster Hall debate on small businesses in November 2016. I am concerned about the consequences for subcontractors and suppliers down the supply chain that are now likely to be left unpaid by Carillion. This is what we would call a domino effect. Is it not time to change the insolvency rules to introduce an assumed Rosalpma clause or similar, so that in the instance of the failure of a primary client making post-insolvency payments into a receiver or the insolvency practitioner, rather than the relevant companies down the supply chain by the back of recognisable goods and services are directed to contractor such as Carillion, payments or the snatching so that in the instance of the failure of a primary rules to introduce an assumed Rosalpma clause or similar, domino effect. Is it not time to change the insolvency unaided by Carillion. This is what we would call a down the supply chain that are now likely to be left about the consequences for subcontractors and suppliers on small businesses in November 2016. I am concerned about the uncertainty ahead is hugely unsettling for employees and their families, but there is no guarantee that the employees affected by local authority contracts, such as those in Hounslow, that the Government will not leave them in the lurch and that the commitment to protect public services and supplies will extend to local authority contracts and, indeed, to services such as prisons, including Feltham young offenders institution in my constituency?

Mr Lidington: Feltham young offenders institution is certainly covered by the overall contingency planning that the Ministry of Justice has put in place. As regards other local authority contracts, the same applies as with NHS trusts in that the Government's protection for payments of wages and salaries for suppliers and subcontractors extends to contracts where they are involved in the delivery of key public services. The Ministry of Housing, Communities and Local Government has been in touch with all the local authorities where we know Carillion contracts are in operation, and its Ministers and officials will be doing their very best to support those local authorities.

Several hon. Members rose—

Mr Speaker: Order. This is an extremely important matter, and it is hardly surprising that it has evoked intense interest in the House. As per usual, I am keen to accommodate the totality of the interest if possible, but if I am to have any prospect of doing so without jeopardising the time available for the Second Reading debate, may I advise Members—in respect of both questions and answers—that the abridged rather than the “War and Peace” version is to be preferred?

Kevin Foster (Torbay) (Con): I will bear that in mind, Mr Speaker. I thank my right hon. Friend for his reassurances, and it is right that this discussion should focus on workers and services, but I am concerned about pensioners. What reassurance can he give existing pensioners about their continuing to receive their payments, as planned?

Mr Lidington: The Insolvency Service or the official receiver will have to look at each of the 14 pension schemes forming part of the Carillion Group and assess their solvency and that of the companies with which they are associated. The backstop in all this is that the Pension Protection Fund will guarantee that pensions now in payment will continue to be paid at 100% of their value.

Paul Flynn (Newport West) (Lab): Do not the strong condemnation by both the National Audit Office and the Public Accounts Committee of the Government’s decision to do a deal with EDF, a company that is £38 billion in debt, plus the Government’s failure to see the warning signs in this case mean that the Government are earning a well-deserved reputation for financial incompetence?

Mr Lidington: As I said earlier, roughly one third of the Carillion contracts currently in force were awarded by this Government, and another third were awarded by Governments supported by the hon. Gentleman.

Mark Garnier (Wyre Forest) (Con): My right hon. Friend has made reference to the more recent contracts awarded to Carillion being done on the basis of a three-way partnership, and that seems a very pragmatic...
approach to Carillion’s recent problems, but with the collapse of Carillion, the financial burden will inevitably be passed on to the other partners. Will my right hon. Friend assure the House that when the Government did their due diligence on all the partners, they did it not just on the basis of one third of the risk, but of half of the risk and of 100% of the risk?

Mr Lidington: Yes, the Government did due diligence within the rules that I described earlier, and of course all the companies that signed up to those joint ventures knew that they were taking on that other potential risk, as well as the share to which they had definitely committed themselves.

Stephen Lloyd (Eastbourne) (LD): How many profit warnings does a major company have to issue before this Government decide that they will probably not award it major and significant contracts—more than three, perhaps?

Mr Lidington: A large number of companies issue profit warnings from time to time. If all potential contracting parties with such a company were suddenly to pull out and say it should have no more business in any circumstances, that would be guaranteed to block any chance of the company solving its problems. The Government’s position is as I have described it: we operated at all times within the rules of public procurement as laid out in regulation and in law, but once Carillion had made the profit warnings, we took steps to ensure that greater degrees of protection were built into the small number of specific contracts that were awarded after July last year.

Mary Robinson (Cheadle) (Con): In 2013, Stockport council entered into a £100 million, 10-year contract with Carillion for the provision of services. In addition, Carillion is the lead contractor on the £290 million A6 to Manchester airport relief road, which is currently under construction and goes through my constituency. What advice and reassurance is my right hon. Friend giving local authorities as they sit down today to contemplate the way forward?

Mr Lidington: The Department for Transport is now activating its contingency plans to move key work and projects to other suppliers where possible and to ensure that the impact is kept to the minimum. Clearly, the response will vary, depending on the specific contract terms, the level of Carillion’s involvement and whether it was contracted directly or through a joint venture, but I am sure that Transport Ministers will be happy to talk to my hon. Friend about her concerns in relation to the Stockport area.

Mr Kevan Jones (North Durham) (Lab): Carillion is notorious in the subcontracting industry as a company that pays its bills very late—over 90 days in most cases. The Minister has talked about public sector contractors that will need to be paid, but what support will the Government give small business in the north-east and elsewhere that are in non-Government contracts and are still waiting to be paid?

Mr Lidington: Companies in non-Government contracts that are not involved in the provision of public services would become creditors of Carillion. The responsibility of the Government and the use of taxpayers’ money should be first and foremost for protecting the delivery of key public services and the employees who deliver those services.

Vicky Ford (Chelmsford) (Con): I thank my right hon. Friend the Minister for wanting to minimise the impact on employees, pensioners, apprentices and subcontractors and for protecting vital services. Can he confirm that he will not fall into the Labour trap of dealing with corporate failure, as when the last Labour Government let bank investors pocket the profits for many years, but when the ship hit the rocks, the taxpayer had to pick up the bills while those same bond investors were let off scot-free?

Mr Lidington: My hon. Friend makes an important point. It is right that taxpayers’ money is used to protect public services, not to bail out either creditors or shareholders of a private sector company that has made serious financial mistakes.

Dr David Drew (Stroud) (Lab/Co-op): Where Carillion has a public sector contract and is in dispute with householders, will the Government commit, if the settlement is in favour of the householders, to make payment to those householders?

Mr Lidington: I am sure that a constituency case lies behind that. I am very happy for myself or another Minister to talk to the hon. Gentleman about the precise circumstances.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): South Tees NHS trust has substantial investment with Carillion as a result of PFI arrangements agreed under the last Labour Government. Carillion’s supply chain is now horribly exposed, and Slater Refrigeration, which is a small firm based in my constituency that supplies cooling systems for one hospital’s blood banks, its MRI scanner, its CT scanner, its mortuary and its operating theatres, has been told that, while its costs will be covered going forward, the £43,500 that it is already owed by Carillion is not covered, and that presents a critical threat to the business. Can the Minister provide reassurance that these outstanding liabilities will be paid, either via the PFI shell companies or, in extremis, via the Government themselves?

Mr Lidington: I would hope that the company in my hon. Friend’s constituency will talk directly to the official receiver and the Insolvency Service, which is working with the official receiver. If there are still problems after that, I would invite him to talk to me or one of my team, and we will see what might be possible.

Louise Haigh (Sheffield, Heeley) (Lab): Will the Secretary of State confirm that when he references key public services that includes projects at their early stage, such as the Sheffield tram-train project and the flood defences in the Don Valley, or are they at risk of cancellation? Will he also provide a bit more detail on the accountability for decisions made by the official receiver in transferring contracts?

Mr Lidington: The official receiver is clearly an independent authority—rightly so—but where we are talking about a contract to provide services to a Government Department or a Government agency, obviously that
Department or agency has to decide whether the particular provider will deliver what is needed in terms of the quality and speed of public service. We are protecting the public service contract on the basis of the value that they provide to the public, not where they might have got to in their development. Clearly, it is for the official receiver, in the first place, and for the relevant Departments to look at each project on its own merits and to assess how best to take it forward and through what type of provision.

Andrew Bridgen (North West Leicestershire) (Con): Does my right hon. Friend agree that companies do not fail—directors and management teams fail? Does he also agree that capitalism without bankruptcy is like Christianity without hell: there is nothing to keep us on the straight and narrow? Carillion is finished, but demand for its services continues. The jobs will be recreated, and in future the management will have to be better.

Mr Lidington: I cannot match my hon. Friend’s theological knowledge, but the central point he made at the end is right: this work in providing public services will still need to be done. People will still need to be employed in the provision of support services, facilities management, repairs and maintenance, and so on. Although that will not be done by Carillion in future, it will be done by another provider, and the need to employ numbers of people will remain.

Alison Thewliss (Glasgow Central) (SNP): In Scotland, Carillion is in partnership with TIGERS—Training Initiatives Generating Effective Results Scotland—to provide a shared apprenticeship scheme, and my constituent, Connor Mallon, from Torgynlen, was taken on as the 1,000th apprentice as part of that scheme last year. What reassurance can the Minister give those such as Connor who are in the middle of an 18-month programme? Can he also tell me a bit more about the CIBT taskforce, how that interfaces with the Scottish Government and what is being done there?

Mr Lidington: The hon. Lady’s point is an important one. I will brief myself, and I will write to her.

James Morris (Halesowen and Rowley Regis) (Con): The new Midland Metropolitan Hospital, which was referred to by the right hon. Member for Warley (John Spellar), will provide vital services to people in Rowley Regis and is due to open in 2019. Carillion is the principal contractor. Will the Minister commit to make sure that he speaks to his counterparts in the Treasury and the Department of Health to ensure that there is continuity of services there?

Mr Lidington: Certainly, the Government’s wish and intention is that we can get on with construction work in the west midlands without material disruption. I will certainly pass the message very clearly to fellow Ministers in the two Departments my hon. Friend referred to.

Mike Kane (Wythenshawe and Sale East) (Lab): Carillion is a partner in an international joint venture to deliver Manchester airport city enterprise zone in my constituency. Does the Minister agree that what has happened gives a terrible signal to international investors about the state of UK plc?

Mr Lidington: No. There are few countries in which companies do not fail. What is important in this case is that responsibility and financial liability for that failure are seen very clearly to rest with the shareholders and creditors, not with the public purse, and that Government energy is directed towards ensuring that those public services continue to be provided.

Jeremy Quin (Horsham) (Con): Following on from the last question, once the official receiver’s investigation into the specifics of the directors of Carillion is concluded, how will my right hon. Friend ensure that any more general lessons regarding corporate governance are taken up, considered and applied where necessary elsewhere?

Mr Lidington: Ministers will want to consider these questions at a senior level. I am sure that we will also look with interest at whatever report the Public Administration and Constitutional Affairs Committee produces. It might be helpful in contributing to our thinking on this.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): In Newcastle, Carillion bought Eaga, a successful, local and partly employee-owned energy company, which was then forced to shed thousands of jobs due to the Government’s U-turn on renewable subsidies. Will the Minister agree that the people of Newcastle have been twice betrayed by his Government with regard to Carillion and commit absolutely to ensuring that jobs, pensions and our local economy do not suffer further? Let me be clear: a helpline will not cut it.

Mr Lidington: It is a lot more than a helpline; it is the continuation of payments, salaries, wages and payments to contractors and suppliers. I hope that that will be welcomed across the House.

Robert Courts (Witney) (Con): I thank the Minister for his statement and commend Oxfordshire County Council for the swift work it has undertaken today, particularly to ensure that schoolchildren have been fed all over Oxfordshire. Will he please offer some reassurance to the 400 staff employed at Oxford’s John Radcliffe Hospital with regard to their jobs and to my constituents concerned about the continuity of services there?

Mr Lidington: Before coming to the House, I had a look at the latest briefing from the Department of Health and Social Care, and the John Radcliffe Hospital was reporting no disruption to services—we have had no notification of any problems. I am close enough in constituency terms to the John Radcliffe to know how important that modernisation project is. On schools, it is welcome that the message from Oxfordshire, Tameside and other local education authorities has been that business has been continuing as normal today.

Helen Goodman (Bishop Auckland) (Lab): This case is very similar to that of Southern Cross. We can see that, although we can transfer jobs, the provision of services and money to the private sector, ultimate responsibility and financial risk stay with the public sector. How high is the contingent liability set in the minute that the Minister is laying before the House today?

Mr Lidington: I question the premise on which the hon. Lady put her question. It is true that ultimate responsibility for the provision of public services remains...
with the public sector, but as this case has demonstrated beyond any doubt, the financial risk really and truly is transferred to the private sector contractor.

Ross Thomson (Aberdeen South) (Con): The Aberdeen western peripheral route is being constructed through my constituency. Will my right hon. Friend advise the House on what discussions he has had with the Scottish Government and the next steps that have been agreed to give reassurance to the workers turning up on site about their jobs, pay and pensions? Does he agree that the Scottish Government should outline their contingency plans as soon as possible, given reports that they have been slow in their payments to the project consortium?

Mr Lidington: This is one of the projects in Scotland that has been the subject of conversations between UK and Scottish Government officials. Because it is a Transport Scotland project, it is indeed a matter for the devolved Government in Scotland to take forward in seeking alternative providers, but the Government will continue to do whatever they can to support the Scottish Government in that endeavour.

Stephen Kinnock (Aberavon) (Lab): This whole sorry tale is a textbook example of the privatisation of profit and the socialisation of risk. Companies such as Carillion have been taking taxpayers for a ride to the tune of billions of pounds of profit. Is not today the day when the case for a windfall tax on these sorts of companies became unanswerable?

Mr Lidington: I normally have time for the hon. Gentleman, but I am afraid that in this instance he wrote his script before listening to the statement. There have been no payments to Carillion except payments for services actually delivered by Carillion companies, in line with their contracts. What today has demonstrated is that the financial risk is transferred to the private sector contractor, and it is right that that should be the case while the Government concentrate on continuity of public services.

Alan Brown (Kilmarnock and Loudoun) (SNP): As was highlighted by the hon. Member for Waveney (Peter Aldous), hundreds of subcontractors risk losing money as a result of cash retentions on the part of Carillion. The Government could have legislated previously to end unprotected cash retentions? As a co-sponsor of the private Member’s Bill presented by the hon. Member for Waveney, I should be happy if the Government adopted it.

Mr Lidington: I will not promise today to introduce legislation, but I assure the hon. Gentleman, as I assured my hon. Friend the Member for Waveney, that we will take a fresh look at those ideas.

Kate Green (Stretford and Urmston) (Lab): Carillion’s performance in respect of the contract for facilities management in prisons has been extremely poor for a number of years. Can the right hon. Gentleman confirm that penalties for performance failure have been extracted during the life of the contract, and that there will be no further payments when the contract has not been delivered as it should have been?

Mr Lidington: I will ask Justice Ministers to respond to the hon. Lady, in writing about the details of her question. I have seen enough prison inspection reports to know that in some prisons there were serious questions about the quality of Carillion’s provision. I am pleased to be able to reassure the hon. Lady that the Ministry of Justice has strong contingency plans not only to continue service, but to drive forward improvements. I know that my right hon. Friend the Secretary of State will be very committed to doing that.

Clive Efford (Eltham) (Lab): Although a hedge fund seems to have been able to bet against Carillion and make millions of pounds, the Government’s due diligence gave it a clean bill of health. Can the Minister assure the House that at no stage did departmental officials advise Ministers against giving it further contracts following the profits warnings, and that Ministers did not act against any such advice?

Mr Lidington: As I have said more than once, different parts of the Government awarded the contracts in the light of the public procurement regulations and the principles of both United Kingdom and European law that underpin the public procurement process.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Across Wales, Carillion is involved in rail, road, energy and digital infrastructure projects. What discussions about exposure to Welsh projects took place between the UK and Welsh Governments before the events of the weekend, and what discussions have there been over the last few days?

Mr Lidington: Officials have been in contact with the Welsh Government. There is minimal exposure to jobs in Wales: there are about 40 Carillion workers there, but they do not work on any public sector contracts. Carillion has been subcontractor to two contracts in Wales for a design phase, and it was bidding as a subcontractor to a rail project, but as a subcontractor only. It is for the main contractor to find out who will take its place.

Andy Slaughter (Hammersmith) (Lab): The Minister has talked about continuity, but in many cases the current service provided by Carillion is appalling. Two independent reports on Wormwood Scrubs prison last month—to which the Minister may have just alluded—describe indecent living conditions involving broken toilets, showers, and heating, electric and fire safety equipment. What confidence can we have that the performance of Carillion contracts will be not only maintained, but rectified where it is failing?

Mr Lidington: I think it important that, whether a service is provided by the public or the private sector, every effort is made—both in the designing of the contract or in-house arrangements and subsequently, through management of those arrangements—to deliver a service of the highest possible quality. The hon. Gentleman cannot unfairly point to examples in which...
the private sector has fallen down on the job, but it is equally possible to point to examples in which the public sector has done so. Many of us remember only too vividly the report on Mid Staffordshire hospital in recent years. It is not a question of private-public, one good and the other bad; it is a question of seeking to drive forward the highest standards, whatever the form of provision.

**Toby Perkins** (Chesterfield) (Lab): It is not new news that Carillion had financial difficulties, and the Minister himself has referred to the Government having taken a particular interest in the performance of Carillion in the period since July 2017. Why did the Government leave the position of the Crown representative to Carillion vacant from August to November when there was such concern about the performance and financial health of Carillion?

**Mr Lidington:** A Crown representative was appointed a little while ago—before my time at the Cabinet Office started—and we intend to announce the name as soon as possible.

**Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): Sheffield houses Carillion’s customer experience centre, often known as the nerve centre of the UK operations, where 250 people are employed. What reassurances can the Minister give to the workforce about their short and long-term futures?

**Mr Lidington:** In the immediate future, people will still be needed to carry out that co-ordinating work, and the Government are funding such provision through the official receiver. In the longer term, it will depend upon exactly how the provision of public services takes place in respect of the various services currently looked after by the Sheffield centre.

**Diana Johnson** (Kingston upon Hull North) (Lab): Bosses at Carillion took steps to protect their £4 million-worth of bonuses shortly before £600 million was siphoned off the share values of the company, and with Persimmon recently awarding an obscene bonus to its chief executive, is it not time for this Government to take action on the culture of excessive bonuses at the public expense, and especially, in this case, on rewarding failure?

**Mr Lidington:** In respect of Carillion it is perfectly within the scope of both the official receiver and the Pensions Regulator to look at those actions taken by either current or previous directors and, if they are persuaded by evidence, to impose quite stringent penalties upon those people.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): Every community represented in this place will be touched by the collapse of Carillion, including for me the Harplands Hospital in the constituency of my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell). My concern, however, relates to the wider impact on my county, which includes Army accommodation and over £1 billion nationally of Government funds that have been spent with Carillion both directly and through subsidiary companies. What assurances are you giving to them, and how are you communicating with service users from today to say that everything is going to be fine? One tweet from the Second Sea Lord is not enough.

**Mr Speaker:** That may well be so, but I am not offering any assurances to anybody, although the Minister might be able to do so, and we will be greatly obliged to him.

**Mr Lidington:** I am advised by the Ministry of Defence that the services provided by Carillion are provided through joint ventures, and therefore the other joint venture partners are required to come forward and shoulder the responsibilities that Carillion was exercising. The MOD is working with those partners to ensure the services continue to run effectively. If the hon. Lady has evidence of things going awry in her constituency or county in this respect, I encourage her to take that up with the Secretary of State for Defence and his team, because they are rightly determined to make sure that things go as smoothly as possible for our servicemen and women and their families.

**Matt Western** (Warwick and Leamington) (Lab): In the statement the Minister says, “We have been monitoring Carillion closely since its first profit warning in July 2017.” For 18 months, however, from March 2016 until July 2017, Carillion was the most shorted stock on the UK stock exchange. In fact in July, after the 70% drop in share price, there was still a 21% shorting of the stock. Just how closely were the Government monitoring the situation—or did they for some reason have a blindspot?

**Mr Lidington:** There is no question of any blindspot. The Government, in common with any other party that was doing business with Carillion, clearly did not have access to the company’s books. The evidence of our concern is the very fact that the relevant Departments and agencies ensured that there was protection through the creation of joint ventures on key contracts when it became a matter of public record that Carillion had difficulties.

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): The collapse of Carillion is the most appalling epitome of the worst kind of lemon socialism and corporate welfare, in which the socialisation of losses is underwritten by the state while private profits from state assets are siphoned off to shareholders. Given that these companies are responsible for huge swathes of critical national infrastructure and service provision, will the Minister give a guarantee that a new form of status will be granted to these companies whereby they will be forced to undergo much more onerous forms of regulation and supervision by the state, to ensure that any risk to the state’s functions can be prevented?

**Mr Lidington:** The action that the Government are taking today is, so far, ensuring that there is no risk to the state’s functions and that services are being provided as normal. As to the hon. Gentleman’s opening comments, this case demonstrates that this is, rightly, not a one-way ticket for contracting companies. They have had to suffer serious financial loss to both creditors and shareholders. The risk was transferred.

**David Linden** (Glasgow East) (SNP): The West of Scotland Housing Association is headquartered in Barrowfield, which is part of my constituency. It is in the process of transitioning its maintenance contract
from Carillion to Robertson FM, so there is no need for its tenants to worry, but what discussions has the Minister had with the Secretary of State for Housing, Communities and Local Government about the impact that this will have on other housing associations in these islands?

Mr Lidington: The Department for Housing, Communities and Local Government has been in touch with those housing associations that we think might have been affected by the collapse of Carillion. So far, we have not been alerted to any immediate difficulties, but this is something that the Secretary of State for Housing, Communities and Local Government will be keeping under close watch.

Space Industry Bill [Lords]

Second Reading

5.47 pm

The Minister of State, Department for Transport (Joseph Johnson): I beg to move, That the Bill be now read a Second time.

Very few people realise just how important the space industry is to our daily lives. Satellites, in particular, provide many critical services that we all take for granted. Navigation satellites provide the precision timing needed to enable global financial transactions. Weather satellites enable farmers and the emergency services to plan how best to protect people, property and produce from extreme weather, and provide unique insights into our changing climate. Communication and imaging satellites let us monitor disasters and threats to our national interests, and allow us to watch and react to live news events unfolding anywhere on earth.

Satellites, a speciality of the British space industry, play a crucial role in our economy, supporting more than £250 billion of our GDP. In the future, tens of thousands of new, smaller satellites are planned, creating a global launch opportunity worth £10 billion over the next 10 years. This is an opportunity that the UK is well placed to pursue. Our long coastline, aviation heritage, engineering capability, thriving space sector and business-friendly environment all make the UK attractive for new commercial launch services. We already license space activities that are carried out by UK companies from other countries, but we could carry out space activities from our own shores. We have already announced a £50 million programme to kick-start markets for small satellite launch and sub-orbital flight from UK spaceports as part of our industrial strategy, and we have received 26 separate proposals for grant funding.

Mr Nigel Evans (Ribble Valley) (Con): I am a small shareholder in ManSat and president of the parliamentary space committee. The Minister said that satellite technology is one of this country’s specialities, but is he as concerned as I am by what I read in the newspapers about British companies being frozen out of bidding under the Galileo project owing to Brexit?

Joseph Johnson: I thank my hon. Friend for his question. That is a subject of some concern and one that I had occasion to raise on numerous occasions with Commissioner Bienkowska in my previous role as Science Minister. We want to ensure that our space sector continues to be able to compete on a level playing field, and, as long as we are full members of the European Union, we have every expectation that businesses should be able to bid and win contracts under programmes such as Galileo and Copernicus.

Through this Bill, we seek to be a global exemplar of good regulation by balancing the need for flexibility and foresight with an absolute commitment to public safety. As such, the Bill provides a framework for the development of more detailed rules in secondary legislation, supplemented by guidance and supported by a licensing regime. The Bill was developed by my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) by drawing on expertise from across Government, including the Department for Transport, the Department for Business,
Energy and Industrial Strategy, the UK Space Agency, the Civil Aviation Authority and the Health and Safety Executive. I also express my thanks to the wide-ranging scrutiny carried out by noble Lords in the other place, which was done with enthusiasm as all parties acknowledged the importance of the Bill and wanted to make it a success. The Bill that is being considered by this House is now better as a result of their hard work. I hope that that collaborative attitude will govern the passage of the Bill through this House. The collegiate approach to the development of this Bill, which my right hon. Friend spearheaded, will continue as we develop secondary legislation, consulting on key issues and providing confidence to the public and investors that the UK will develop safe, business-friendly regulation in the public interest.

The Space Industry Bill is necessarily broad in scope, but it benefits from the experience and best practice of international launch, as well as our own world-class aviation regulator, resulting in a safe, proportionate and comprehensive enabling framework in one piece of legislation. In turn, the activities defined in this Bill and its subsequent regulatory framework would benefit many in the UK. Entrepreneurs would benefit from new opportunities to build innovative commercial enterprises. Local economies would benefit from the creation of spaceport sites with related jobs. Our small satellite industry would have direct access to domestic launch capacity, reducing dependence on foreign launch services.

Jim Shannon (Strangford) (DUP): Certain regions in the United Kingdom of Great Britain and Northern Ireland will be able to have specific projects, but Northern Ireland will not. Will there be job opportunities for those with the qualities and the talent, even if they reside outside where the opportunities for businesses to create projects are located?

Joseph Johnson: Indeed. I was in Belfast just a few weeks ago for one of the UK launch programme’s roadshow events, where we gathered together small and medium-sized businesses in Northern Ireland with expertise in space to showcase all the benefits that are to be gained from participating in the programme and taking part in the activities that the Bill will enable.

Diana Johnson (Kingston upon Hull North) (Lab): If I am correct and the Bill will open the way for commercial spaceflights within the next 20 years, does the Minister realise that such flights will arrive many years quicker than Transport for the North’s proposals for improvements to transport in the north, including rail electrification to Hull?

Joseph Johnson: We want to move forward on many fronts, and the Bill will enable us to capture some of the significant opportunities that are out there for British businesses in the space sector.

Vicky Ford (Chelmsford) (Con): Given the fast growth of the sector and the fact that its businesses create jobs three times faster than the average British company, does the Minister share my concern about the lack of interest in this Bill from the Labour party?

Joseph Johnson: The Bill has been developed collaboratively with the support and involvement of all parties, and I am grateful for the constructive approach taken by the Labour party. My hon. Friend is absolutely right, however, to say that there are tremendous opportunities for British companies in the space sector. We have a market share of about 6.5% at the moment, but the Government’s ambition is to increase that to 10% by 2030, and the Bill will play an important role in enabling us to take advantage of the great opportunities.

Mark Garnier (Wyre Forest) (Con): The Minister is being generous with his time. Having worked with him for the past two years on helping to develop this country’s space industry, I absolutely share his vision for how fantastic things can be for Great Britain. There are many technical details that can help us to achieve our target of 10% of the global space market, and one of those important details is the liability that space companies have on launches. We currently have unlimited liability, but were we to find a system whereby there could be limited liability on insuring spacecraft, that could bring a huge amount of space activity to this country.

Joseph Johnson: My hon. Friend raises an extremely important point that was the subject of considerable discussion when the Bill was in the other place, and we will return to it in detail in Committee. For the time being, I can say that we recognise that launch from the UK is an important new activity, and, given the risks involved, further work needs to be carried out on the appropriateness of capping either liability to Government or to third parties in prescribed circumstances. State aid issues must also be considered in relation to any such cap that we might want to introduce. However, we plan to announce a call for evidence on all issues relating to insurance and liabilities early this year following the Bill’s Royal Assent.

John Howell (Henley) (Con): Does the Minister share my view that companies such as Reaction Engines, which is based in my constituency, hold the future for space vehicles that can be used over and over again?

Joseph Johnson: Indeed. Reaction Engines is a great example of the kind of British company that is well placed to take advantage of all the opportunities that the Bill will enable. We have been supporting Reaction Engines and its SABRE technology through Innovate UK and the Department for Business, Energy and Industrial Strategy, and, from memory, I believe that it has received around £55 million over recent years. We want it to be a great success, and have every confidence that it will be.

British-based scientists will benefit through increased access to microgravity and investment in institutional capability in launch, spaceflight and related sciences, attracting world-class scientists to the UK. Young people seeking careers in science, technology, engineering and maths will gain new opportunities and greater inspiration from an expanding UK space sector. The UK as a whole will benefit from access to a strategic small-satellite launch capability, contributing to our understanding of the world, the provision of public and commercial services, the delivery of national security and new opportunities for investment and export.

Robert Courts (Witney) (Con): The Minister has just referred to the skills that will be supported by the Bill. Does he agree that it presents a real opportunity to inspire the next generation, so that those growing up across Oxfordshire can look to ensure that this country really excels in an area in which it already takes a lead?
Joseph Johnson: Absolutely. There is nothing like space to generate STEM inspiration, which we saw when Tim Peake became one of the first British astronauts — if not the first British astronaut — to visit the International Space Station last year. We have seen on many occasions the power that space has to capture the imaginations of young people, and we have every confidence that the development of a domestic launch capability will have comparable effects over time.

The UK as a whole will benefit from access to a strategic launch capability. Today, we stand at the dawn of a new commercial space age. We can once more reach for the stars, but not at vast public expense or in a way that is dependent on the good will of others elsewhere in the world. We can do so in the best spirit of British innovation and by enabling commercial markets for small-satellite launch and sub-orbital flight from UK spaceports. The sky will no longer be the limit for our talented scientists, engineers and entrepreneur, and with modern, safe and supportive legislation, we will attract the capability, infrastructure and investment we need to make that a reality. I commend the Bill to the House.

6 pm

Andy McDonald (Middlesbrough) (Lab): It must be a blessed relief for Government Front Benchers to move their attention away from their trials and tribulations here on planet Earth and to lift their eyes up to the heavens. Much of the country is doing likewise, aghast in sheer disbelief at the Government’s continued appalling judgment on our country’s transport system.

It is perhaps no surprise that the Secretary of State for Transport is not present for the Second Reading of this important Bill—perhaps he is explaining to the Prime Minister how he came to the view in July 2017 that Carillion was a safe bet and fit to be awarded the High Speed 2 contract, despite dire profit warnings. He is making a habit of not being at the Dispatch Box when his decisions make the news for all the wrong reasons.

Just as the Secretary of State has today delegated responsibility for the Space Industry Bill to the newly appointed Minister of State, the Government have produced a Bill that delegates more powers than it has clauses. That said, I also pay tribute to the right hon. Member for South Holland and The Deepings (Mr Hayes) for his open attitude to producing the best possible legislation, which is consistent with his attitude throughout. I commend him for that, and I trust that the same arrangement will continue with his successor so that we can produce the best possible Bill.

The UK’s space industry is an important and burgeoning part of our economy. It was valued at £13.7 billion in 2014-15, supporting almost 40,000 jobs. This Bill will establish a licensing regime for spaceports, spacelights and satellite launches that is currently missing from the statute book and will put in place the regulatory framework to allow further expansion of the industry.

The UK Space Agency’s assessment, published in 2016, showed that the UK had a 6.5% share of the global space industry, and we hope the Bill will help to increase that share as the space industry grows globally in the coming years. Accordingly, Labour will be supporting the Bill as it continues its passage into law, although not without reservation about certain aspects, which I will spell out.

I put on record my party’s thanks to our Front-Bench colleagues in the other place for their valuable work on this Bill. They secured a number of important concessions from the Government, particularly the removal of the Henry VIII powers, which has much improved the Bill and for which we are grateful. However, we will still press Ministers on delegated powers and on the Bill’s impact on the environment, health and safety regulation and land powers.

During the Bill’s passage through the other place, the Government gave assurances that they would table amendments in this House on a duty to carry out full environmental impact assessments as part of the licensing process. We look forward to Ministers following up on that assurance in the Bill’s later stages.

Similarly, the Government gave an assurance in the other place that a specific regulator, either the Civil Aviation Authority or the UK Space Agency, will be a single point of accountability for health and safety on each individual mission. However, we will seek further details from Ministers on the relationship between the Health and Safety Executive and the CAA or the UK Space Agency, and on how best practices will be shared.

In relation to joined-up thinking on health and safety matters, will the Minister illuminate us on whether the Government have put any thought into how this Bill and the recently introduced Laser Misuse (Vehicles) Bill will cover legislative issues relating to the pointing of lasers at suborbital spacecraft and horizontal-launching spacecraft?

Moreover, can the Minister shed light on the Government’s thinking on clause 33(5), which addresses “provision for an operator licence to specify a limit on the amount of the licencee’s liability” in the unlikely event of “injury or damage” being caused by licensed spacelight activities? My recollection is that a figure of £20 million was suggested in my previous discussions with Ministers. Will the Minister confirm whether that is the case? If it is, I suggest the Government reconsider the limit.

We recognise this is a highly technical and highly skilled environment and that the chances of something happening will hopefully be extremely remote, but, if it were to happen, the consequences could be dire. In those circumstances, £20 million may not be anywhere near sufficient. Two catastrophic injury cases could take a large share of that sum. In the case of brain injury or other catastrophic injury, the costs incurred by long-term support, accommodation or care would be considerable. I ask the Minister to think about how we might work around that difficulty.

The Government conceded in the other place that the wording of the Bill needs to be tightened to clarify that any restrictions over land would be temporary and would need to be established individually for each specific mission. Further clarity is also required on the ability of those affected by such restrictions to appeal against the decisions. We want Ministers now to outline how the Government expect the powers to be used and to ensure that the Bill provides an adequate legislative framework should the UK’s space industry undergo significant growth in the future, as we all want to see.

Finally, returning to the point I outlined at the start, the Bill appears to have been introduced well before the Government have done sufficient work to allow Parliament
to scrutinise the legislation—the Bill contains 100 delegated powers in 71 clauses. Despite the Government’s concession to remove the potential Henry VIII power from clause 66, clause 67 still has a catch-all regulation-making power that allows the Government to make general provision for regulating space activities and “associated activities”. We look to the Government to better define those associated activities.

Furthermore, the Government appear determined that significant statutory instruments arising from the Bill’s delegated powers will be affirmative when they are first made, with negative procedures following afterwards. As the Bill progresses, we will seek to persuade the Government that such statutory instruments should be consistently affirmative each and every time they are made.

We will be supporting the Bill on Second Reading, but unfortunately the Government have introduced a Bill that is inadequately detailed and imprecisely worded. We will seek to change that as the Bill progresses, but sadly the Government have been too busy making a mess of our public transport by hiring failing companies to build national infrastructure projects and by bailing out private companies when they fail to run our rail network.

It is time that this Government made decisions in the interest of the UK economy and hard-pressed taxpayers, instead of dishing out corporate welfare. It is time they network.

Governments in democratic polities have a history of not doing those long-term things, so I am pleased to see that this Bill is an exception to that general thesis.

The Bill sets out a way forward for the space industry that is far sighted and strategic. It is vital that we should do so, but there is another challenge for Government in this respect: creating a legislative framework that is sufficient to allow and, indeed, encourage further investment, but not going so far as to attempt to predict an unpredictable future. This is a highly dynamic sector and the technology we are debating this evening will be unrecognisable by the time this Bill bears fruit those five or 10 years down the line, as it grows, alters and metamorphoses. Someone mentioned Reaction Engines earlier, and I was pleased and proud to go there as a Minister to see precisely what it is doing, and to witness and begin to understand—I say no more than that—the technological changes it envisages in propulsion. It is developing a whole new method of propulsion, which will change assumptions about the speed with which we travel and therefore open up all kinds of new chances to do so.

The speed and pace of technological change requires Governments to know when to be modest, as well as when to be bold. This Bill attempts to square that circle; to walk that tightrope, and it does so reasonably well. I acknowledge what the shadow Secretary of State said: when we do that, we risk—perhaps that is too strong and I should say open the possibility of—a great deal of secondary legislation. This Bill is, in essence, a framework, which will require further measures to bring it to life as we are clearer about what is required. That secondary legislation deserves proper scrutiny and should come to this House for consideration in exactly the same agreeable, convivial, co-operative and collaborative spirit that has engendered during the course of our considerations of these matters thus far. None the less, we need to have proper scrutiny, of a non-partisan kind, as we enjoyed in another area we have been debating recently—electric and autonomous vehicles. My legacy is so wide and deep that I hesitate to go further, because we could speak about so many things. I am a man of the future and shapes how we behave; nothing lasts long. However, knowing that guides us here is about. At its best, it is the very apex of good democratic polities.

Mr John Hayes (South Holland and The Deepings) (Con): It is an honour and a pleasure to speak from the Back Benches for the first time not quite in a lifetime but in very many years. It is a particular pleasure to speak in a debate on a Bill that I helped to shape, as the Minister generously acknowledged. I am grateful both for his words and for the words of the shadow Secretary of State. It has been a pleasure to work on this subject, and indeed on transport more widely, with colleagues on both sides of the House.

Reflecting during this sojourn on the Back Benches, I thought that parliamentary and political life constantly gives the impression, perhaps the illusion, of permanence, but in practice it offers the reality of impermanence; all things we do here are ephemeral. Knowing that guides and shapes how we behave; nothing lasts long. However, it is vital that Governments do things that are long lasting, far sighted and strategic, and not simply piecemeal or reactive. Of course Governments must deal with the day-to-day events, the week-to-week affairs of the nation, but they must also set their sights on a more distant horizon, what Kennedy called a “new frontier” and what popular culture called “the final frontier”—of course no frontiers are entirely final for me, as you know, Madam Deputy Speaker, but none the less it is important that Governments do just that.

Governments in democratic polities struggle to do that, partly because of those daily and weekly imperatives; partly because no one wants to take responsibility for big decisions that might go wrong and so it is easier to deal with small things that can be corrected quickly; and partly because the five-year electoral cycle means that they get no credit for planning and thinking through things that might bear fruit 10 years or more later.
Mr Nigel Evans: Will my right hon. Friend give way?

Mr Hayes: This is going to be a relatively short speech, but I am happy to give way to my hon. Friend.

Mr Evans: I am more past than future, that is for certain, but I am as excited as my right hon. Friend about the potential for space development, particularly in a multi-billion industry in the UK, which is growing at an incredible 8% a year. As we have the desire to put more satellites into space, so that we can do all these wonderful things he has spoken about, is he happy and content that the Bill gives sufficient regard to debris mitigation to ensure that we are not just putting more junk for the future into space?

Mr Hayes: To avoid delaying the House unduly, I refer my hon. Friend to Room, The Space Journal, which contains an article that I was reading just this weekend on exactly that point. It is headed “Space debris break point” and sets out precisely the kind of risks and problems he highlights. It is unsurprising he does so, given his interest in this subject and the expertise he has gained in it over many years. I am sure that reading that will allow him to take the matter further, perhaps by tabling some difficult written questions for the new Minister, of the kind that my officials used to bring to me, not just often, but daily. I merely echo what he and others have said: that the UK space industry is indeed a leading world player. The income for the industry in 2014-15 was reported at £13.7 billion, which is equivalent to 6.5% of the global space economy. As has been said, it is a rapidly growing industry. It is growing much faster than the economy as a whole. This is something we do well and can do still better, but only if Government play their part.

So what is that part? It is definitely about creating the legal framework necessary to build certainty. Investors will not spend money in the UK space industry, or will not continue to do so, unless they know that the legal framework to provide appropriate protections is in place. Secondly, it is about facilitating and encouraging the co-operation that is at the heart of the industry. I refer to the co-operation between the world of academia, industry and Government. That is what Reaction Engines, for example, embodies; it is an example of such co-operation, and others are too. Thirdly, it is about trying to anticipate those future changes, although not to stipulate them and certainly not to constrain any of the organisations involved in the sector, because, as I have said, there will be secondary legislation. This is just the beginning of a journey—a journey into space, one might say—which is certainly not definitive. It could not be so, because of the nature and the character of the technology with which we are dealing.

There are, though, some challenges with the Bill. I acknowledged them as Minister and know that the current Minister will do so too. There are certainly challenges in respect of liability. I would be surprised if, in our scrutiny of the Bill, we did not face up to that and ensure that the sector feels no doubt about the effect on the wider public of any changes that follow the advent of launch facilities in the UK.

This is not a lesson to the current Minister, because he is already experienced, but it is a lesson to newer Ministers. It is true that some—they may even be civil servants—will say, “But what about state aid, Minister?” There are those who will say, “But what about the Treasury, Minister?” These are always the stock lines. The first is, “The Secretary of State doesn’t agree with you,” to which one says, “I’ve cleared it with the Secretary of State.” They then say, “Downing Street’s not happy,” and one says, “I have been to Downing Street.” They then say, “The Treasury will never wear it,” and finally state aid gets pulled out—“It won’t pass the test of state aid.” I take the simple view that the purpose of a Government is to aid those whom they serve. We should support British industry and the British people. I have never been entirely convinced by the arguments about state aid; what is the purpose of a state if it does not aid the circumstances of the people it serves?

I urge caution—I put it no more strongly than that—that in our consideration of liability we do not allow ourselves to do less than we should. We must leave no third party worse off as a result of anything that occurs in this industry and which follows the Bill. We must leave no one feeling vulnerable and no business feeling that anything that results from the Bill might lead to a vulnerability that might prevent further development of or investment in a technology. The liability issue must be settled.

The second challenge is that of skills. It is known that I take a profound interest in the development of skills and we have made great progress in recalibrating our estimation of the importance of technical, vocational and practical skills. I have long believed that it is those skills, aptitudes, tastes and talents that will allow us to make the best of the opportunities that will grow as we increasingly develop as a high-tech, high-skilled nation. Our future lies in that direction, but we must have the people to make that future a reality.

Stephen Kerr (Stirling) (Con): I add my praise of my right hon. Friend to that already expressed. I served on the Automated and Electric Vehicles Bill Committee—one of my first—for which he was the Minister. It was an illuminating and inspiring experience to be on the same Bill Committee as him and my right hon. Friend the Member for West Dorset (Sir Oliver Letwin). Space has an inspirational value—there is something inspiring about it that really will turn on the younger generation to the study of the technical subjects that my right hon. Friend is describing.

Mr Hayes: Yes, it is true—I think the shadow Minister made this point, and perhaps the Minister did, too—that there is a particular allure to this kind of technology. It is exciting. We are reminded of that first space race when, as I said, Kennedy spoke of the new frontier. There is something wonderful and marvellous about looking to the heavens as men and women have looked to the heavens since men and women began, when God made Adam and Eve. It is certainly true that young people will be attracted to the industry, but if we are to take advantage of this opportunity, we need them in significant numbers indeed. It is still true that we underestimate the value of technical and vocational competencies.

Let me cite some figures. According to the OECD, fewer than 10% of the UK adult population aged between 20 and 45 have professional education and training qualifications, compared with more than 15% in the United States and Australia and almost 20% in Germany.
It is the mid-range technical qualifications, which lead to higher technical learning, that require greater attention and further progress. As I say, we have made strides, but we can do still more. To satisfy the needs of companies such as Reaction Engines and many others, we will need to do more, and that requires the collaboration that I described. That is the second challenge.

The final challenge is to continue the spirit in which this debate began. We must understand that across the House and throughout the nation there is a willingness to make this work; to make it happen. If we can maintain that kind of enthusiasm—if we can make this glitter and sparkle—we will retain, maintain and grow that spirit. This is a British success story, but we must not rest on our laurels. The Bill is indeed far-sighted, and if it passes Second Reading, receives the scrutiny that it deserves and becomes an Act, it will send a signal to the space industry that not only the Government but more still this House understands the industry’s potential and what can be achieved.

In the end, it will be about changing lives by changing life chances. It is easy for us to define all such matters in technological terms, but really these are distinctly, profoundly human matters. How can space and space travel make lives richer? All that we do with the Bill in this House must be founded on the principle that our duty, indeed our mission, is to promote the common good and the national interest. This Bill does just that.

6.26 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): It is an honour to follow the right hon. Member for South Holland and The Deepings (Mr Hayes). I, too, enjoyed a little glass of sherry in his office before Christmas, as we had assumed that he would be taking this Bill through the House. When the Hayes manual for the autonomous and electric vehicle becomes available, I am sure that he will have further cause to celebrate.

It is today two years exactly since Tim Peake did his spacewalk. Those who were Members then and active on space issues will remember that the day before that walk we had a Back-Bench debate in the Chamber to celebrate the UK space industry. I had the honour of opening that debate with a statement that I had been sent by William Shatner. I hope that in this debate we will have slightly fewer cheesy puns, but I tie no one down and make no promises. That debate highlighted the growth potential of the industry, which has increased massively in the past 10 to 15 years.

There is growing recognition that space is no longer, as I mentioned in that debate, something that the Americans and Russians do and nothing to do with anybody else. As the Minister said, nor is it about big, expensive and massive in the past 10 to 15 years.

There is growing recognition that space is no longer, as I mentioned in that debate, something that the Americans and Russians do and nothing to do with anybody else. As the Minister said, nor is it about big, expensive and R ussians do and nothing to do with anybody else.

The satellite was eventually reduced to the size of a double-decker bus to that of a fridge. Surrey Satellite Technology, which eventually decay—they do not last forever. That is from overseas, most of it from Kazakhstan. Once a satellite has been made, it has to wait until there is a space—excuse the pun, I did not mean that one—where the comment about space debris comes in. The smaller satellites. They are lower orbit, and they will get into space. The problem is that that is keeping the cost high. I was told that if we get the launch of a satellite to below £50,000, the industry will literally burgeon. That is what we are looking to do with the smaller satellites. They are lower orbit, and they will eventually decay—they do not last forever. That is, unfortunately, has created a bit of planning blight. There was a time back then when it was a competition. Part of what we did in that debate was to make the case that it should not be; that there should be a licensing system, because then it would not nail it down to only one site.

We have seen 71% growth in the industry since the UK Space Agency was set up in 2010. The turnover now is £14 billion and, as has been said, the aspiration is for it to be £40 billion by 2030, so essentially we want it to be three times bigger. Scotland punches above its weight. We have 18% of the UK space industry, but we need a launch site in the UK. When we debated this matter two years ago, we thought that moving to a launch site was imminent, but here we are, two years later; and, actually, we still do not have one. Unfortunately, that has created a bit of planning blight. There was a time back then when it was a competition. Part of what we did in that debate was to make the case that it should not be; that there should be a licensing system, because then it would not nail it down to only one site.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I am honoured to represent a constituency where one of the shortlisted potential spaceport sites is located in Llanbedr. I am sure that the hon. Lady agrees that the space industry offers the potential to bring science, technology, engineering and maths jobs and STEM salaries to all
UK nations and that the Westminster Government should play their part in enabling that through licensing and facilitating future projects.

Dr Whitford: I agree with everything the hon. Lady says. As I said, we will have tourism, hyperbolic flights and satellites. Different spaceports might develop different specialisms, so we should not be trying to shut down this industry. Although there will be a first—I am incredibly delighted that the site in my constituency in Prestwick has moved from being a rank outsider to one of the leading contenders—we should not have any sense of “there can be only one”. Prestwick was the first passenger airport in Scotland. We could not imagine Scotland now with only one airport. We do not know where this industry will be in 2030—perhaps hyperbolic flights for long distance will be the norm. Therefore, we do not want to shut down any site.

Of course, as the only place that Elvis put his feet down, Prestwick is already famous. From the point of view of being the first—I mean the first—UK spaceport, it is known for already having a long runway. It is particularly known for its clear weather, which is why it is the back-up airport for the whole UK. It has better visibility and less low cloud even than Newquay, which is hundreds of miles further south.

Mrs Sheryll Murray (South East Cornwall) (Con): Will the hon. Lady confirm that Prestwick has clear airspace and that there is not another commercial airport within the vicinity that shares that airspace, because that is quite important.

Dr Whitford: We actually have quite a lot of airspace in that we take off right across the Atlantic. National Air Traffic Services has its air traffic control centre based in our airport. It has already been consulted and has explained that there is no significant issue from the point of view of airspace and launching. Our airport has very good transport, with road and rail links. Having both the air traffic centre and an aerospace cluster onsite strengthens it. Although we talk a lot about the spaceport, what we do not yet have is the routine development of the launch vehicles, and they will evolve hugely in the next decade. Therefore, the more we have the ability to bring expertise together to do that, the stronger and the quicker we will achieve it.

Obviously, the aim of the Bill is to do with licensing, which I welcome because it allows any site to aim to become a spaceport, but it is also to create, as was mentioned, a regulatory framework for sub-orbital and outer space, or orbital spaceflight activities. It amends the Outer Space Act 1986 to make it simply apply outside the UK and be replaced by this Bill within the UK. The regulator is likely to be the Civil Aviation Authority for horizontal take-off and sub-orbital, and the UK Space Agency for vertical take-off and orbital or outer space missions.

Looking at the Bill itself, some issues have already been highlighted, but the biggest one is that of liability, which is causing real concern among the industry. It is the Government who compensate who is affected—either their property or their person—by a UK launch or satellite and the company must indemnify the Government. The cap is something that protects that company. What the company has to do is find insurance. At the moment, the cap is set at £60 million per satellite launch under the Outer Space Act. It is important that a figure is arrived at, but we are talking about launches that will have quite a broad range of risk depending on the scale of the satellite.

There is discussion in the Bill and the explanatory notes about using red, amber and green to describe the types of missions, so there might well be slightly different caps. It will also be important that we no longer say “per satellite” because the micro-satellites, such as Unicorn or CubeSats, go up in clusters. If the figure were £60 million for every one of them, that would be prohibitive, but to get insurance for unlimited liability is not really possible, which is why, in the Deregulation Act 2015, this limit was introduced. Other states such as America, Australia and France have a cap on liability. I understand from the Minister that that matter will be discussed, but a cap will need to be set or people will still to choose launch from elsewhere.

It is also really important that we look at the regulations themselves. It is very disappointing that we have no draft regulations to scrutinise; we have instead this absolute burgeoning of delegated powers. I understand the need for flexibility, but the original target was launching in 2020, and there was mention in the Lords that the regulations might not be ready until two years after Royal Assent—the middle of 2022. How do we expect a spaceport to design itself to meet regulations that are not available? How do we expect people to invest in that? How do we expect people in the industry to raise money on the basis of regulations that, suddenly when they come out, might completely rule out a company, a project or even a spaceport site? It is really important that the decision on regulations gets a bit of rocket fuel under its bahookie and starts moving forward.

In general terms, there is the slippage of the timeline. We had a long time of planning blight when it was described as a competition, with all five—it was eight at the time—sites sitting waiting to see who would win, and so nothing happened for a year and a half. Now another year and a half has passed, with things moving forward slowly. We need a little bit of speed.

At the moment, the Government are supporting spaceport sites and launch companies with grants. It is crucial that domestic launch companies should be considered within that—and that includes Reaction Engines—to ensure that they get the funding to take forward the air-breathing rocket engine.

In my area, there is also the issue of orbital access. If our spaceports are just to be three-kilometre slabs of tarmac used by someone from the States once or twice a year, they will not stimulate the industry as we want them to. We need a domestic capability that can launch the satellites when the satellite companies want them to be launched. It is imperative that, in providing the seed money, we are not just sitting back and waiting for Virgin or XCOR to come in; we must invest in our domestic launch companies. We also want the manufacturing—the supply chain all the way through. We do not want just to be providing a piece of land to be used on one day.

As other Members have mentioned, we want the Bill to stimulate the whole industry and to be the key of innovation as well as the stimulus and inspiration for the next generation to take on the STEM subjects and see their future in a burgeoning space industry.
Steve Double (St Austell and Newquay) (Con): It is a pleasure to speak about this important Bill and to follow the hon. Member for Central Ayrshire (Dr Whitford), who shares my keen interest in this matter.

I greatly welcome the Bill, which will set out the framework for the growth and development of this exciting sector. If we are to maintain and improve our national position as a global economic power, it is vital that we should participate fully in the expected growth of the space industry. It is absolutely right that the Government should be ambitious and that they are putting in place the necessary measures to ensure that our country benefits from the rise in demand for commercial satellites and the emerging sub-orbital spaceflights.

As we have heard, there is the potential for people to fly from this country to Australia in about four hours. I add something for the consideration of the Under-Secretary of State for Transport, my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman): that is quicker than it takes me to get from London to my constituency in Cornwall by train. Will my hon. Friend look favourably on the Peninsula Rail Task Force report on reducing train travel times to the west country so that I can get home as quickly as I hope to be able to get to Australia one day?

If the Government had not taken the opportunity to draw up the Bill and put the regulation and licensing framework in place, it would have been a dereliction of duty: the missing of a golden opportunity for the future of our nation. That is why I greatly welcome the Bill and am delighted to support it. We have to be ready to move quickly. We live in a fast-changing world in which we are surrounded by new and emerging technologies. We have already heard about the potential of autonomous vehicles, and I put the space sector alongside that technology—we are going to see rapid change and growth in the space sector, and we as a country need to be ready and to have the regulations in place. We need to support our businesses and industry so that we can make the most of the coming opportunities.

My one concern about the Bill, also mentioned by other Members, is about limited liability for operators. I have met a number of potential operators and all have raised the desperate need for clarity about the limit of liability. They cannot currently get insurance and that could be a brake on investment in this emerging industry. Will the Minister consider that quickly as the Bill progresses so that we can provide certainty to the industry and so that it can know the limits and get insurance cover? That would give it the confidence to develop further.

As many Members will be aware, I have a particular interest in this matter. Cornwall Airport Newquay is in the constituency that I have the honour of representing, and it is one of the potential sites for the UK’s first spaceport. I was not going to go into detail about why I think Newquay should be the first spaceport, but as the hon. Member for Central Ayrshire promoted Prestwick, I feel duty bound to do the same for Newquay.

Mrs Sheryll Murray: Will my hon. Friend clarify what I think was misunderstood by the hon. Member for Central Ayrshire (Dr Whitford)? Unlike Prestwick, which is near Glasgow airport, Newquay is not competing with another airport for airspace. Is that my hon. Friend’s understanding as well?

Steve Double: Absolutely. Newquay has several things in its favour. It has a very large runway and easy access to uncongested airspace over the Atlantic. There are literally hundreds of acres of development land in an enterprise zone ready for developing the necessary business and manufacturing that would support a spaceport. Uniquely, I believe, we also have the space enterprise zone through our partnership with Goonhilly satellite station. That makes us in Newquay very well placed to be the first UK spaceport.

Although Newquay should be the first spaceport, it should not be the only one. As the hon. Member for Central Ayrshire said so well, there will be a need for further spaceports as the industry grows in our country. I believe that we will want to be launching satellites, putting people into space and operating sub-orbital flights from across the country, not just one location, much as I would love Newquay to be that location.

Mr Nigel Evans: My hon. Friend will be pleased to learn that I am not about to make a bid for the Ribble Valley.

Particularly if we get more than one spaceport, that will be a great boost to industries and SMEs that are interested in space. Some may be involved in contracts with the European Space Agency, to which we gave £1.4 billion in additional funding from 2016 for five years. Does my hon. Friend agree that, irrespective of what we do domestically and of our leaving the European Union, we should continue our investment in that agency? That is not a European Union issue.

Steve Double: I am grateful to my hon. Friend, who makes his point well. Another concern of the UK sector is our continued involvement in the European Space Agency post-Brexit. I join him in urging the Government to continue to play an active part and to participate in that agency, as that will be essential for the industry in this country.

Vicky Ford: Does my hon. Friend agree that it is absolutely vital that we continue to take part not just in the European Space Agency but in its downstream operations? I am thinking about data sharing and the ability to bid on downstream contracts.

Steve Double: I agree. We need to continue to participate in the industry on a global scale; probably more than any other, it cannot be restricted to just one country. It is essential for us to continue to participate in the global sector, whether in the EU or in other parts of the world.

If the spaceport came to Cornwall, it would give a huge economic benefit to one of the most deprived and lowest paid parts of the country. Cornwall is well known for its tourism and food and drink sectors, which are absolutely vital for our local economy. Who knows? One day, Cornwall could also be sending tourists into space. Generally, however, those sectors are regarded as low paid and providing limited career opportunities for people. We are trying to change that perception, but that is often how they are regarded.
Cornwall has an illustrious history when it comes to engineering and innovation. Let us remember that the steam engine, which brought about the industrial revolution, was invented there. The first ever transatlantic telegram—the forerunner of the modern communication revolution—was sent from Cornish soil. Now, Cornwall is ready to play its part at the heart of the space industry of the future. Newquay’s bid is backed right across Cornwall by the business sector, the chamber of commerce, the local enterprise partnership and Cornwall Council. We are ambitious and we want to play our part to the full.

The LEP has estimated that bringing the spaceport to Cornwall would create some 1,000 new, well-paid jobs, which could be vital to our future economy. In addition, I believe that it would do something that is beyond economic measure, namely to inspire Cornish young people and provide them with the opportunities that they desperately need. For far too long, our Cornish young people have faced the choice of staying in Cornwall and lowering their aspirations, or leaving to fulfil their potential and pursue a career. Bringing such jobs to Cornwall would give our brightest and best the opportunity to have a well-paid job and a good career in an exciting sector in Cornwall, rather than having to leave.

Dr Whitford: Regardless of where the spaceport is, I would hope that the future space industry in the UK will be diffuse, just as we have Surrey satellites and Glasgow satellites. The idea is not for the whole industry to be where the spaceport is. I hope that that aspiration will remain, whether Cornwall is No. 1, is No. 2 or takes a bit longer to get a spaceport.

Steve Double: The hon. Lady makes a good point, and I agree with her. We cannot put a value on the inspiration that would be provided for our young people by having a spaceport, which they could see and interact with, on Cornish soil. As has been mentioned, we saw the inspiration that Tim Peake brought to schools across the country. We recently had the Bloodhound at Newquay airport, and 4,000 Cornish schoolchildren had the inspirational opportunity of going on a day out to see the rocket car going down the runway. That gave them an incredible sense of what was possible, and it inspired them to engage with science and engineering and pursue STEM subjects. Putting the spaceport in Cornwall would have a similar, ongoing effect on Cornish schoolchildren. We have lacked such ways of inspiring our young people for far too long.

I will bring my thoughts to a conclusion. I am happy to support the Bill, whether or not there is a vote this evening. I am delighted that the Government have introduced it at this point, and I believe we need to get on with it. I am absolutely delighted that the Government are backing the industry by giving it the confidence and framework that it needs to move forward, and that they are ambitious for our country to be a world leader in this sector. Cornwall is ambitious about playing its part to the full.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): I call Carol Monaghan.

Carol Monaghan (Glasgow North West) (SNP): Thank you, Madam Deputy Speaker, for making such a good choice. I welcome the new Under-Secretary of State for Transport, the hon. Member for Hereford and South Herefordshire (Jesse Norman), to his place. He has moved seamlessly from his previous role as a Minister with responsibility for science. When he held that role, we had many interactions about space and space legislation.

The SNP welcomes the Bill and supports its aim of ensuring that the UK and Scotland can take advantage of new markets, overcome our dependence on foreign launch sites and benefit from the development of new spaceports and supply chains. The space industry has the potential to be worth billions of pounds to the UK economy, but proper investment must be made and work undertaken by all sides to ensure that it is a success.

As a number of Members have mentioned, space is an inspiration. I suppose the first big space development that people are aware of—if we disregard Sputnik, which is possibly not fair—is the Apollo missions to the moon. They were slightly before my time, but I understand their impact. The 1980s were the era of the space shuttle, and I remember as a child the great excitement around a space shuttle launch. An event in 1983 probably shaped my future career as a physics teacher. The space shuttle took part in a European tour, piggybacked on a jumbo jet, and—I do not know how many Members remember this—it flew over Glasgow. On that day in 1983, we heard the jumbo jet from our primary school classroom and ran outside to the playground, where we saw the most spectacular sight. It was quite incredible to see the size of the jumbo jet with this tiny thing stuck on the back, and even more incredible to think that that tiny thing was able to go into space.

The next big development, which happened when I was a young teacher, was the Cassini-Huygens mission to Saturn. It was launched just over 20 years ago, in 1997, to investigate Saturn and its moons. The mission was supposed to be quite short, but it was extended several times because of the discoveries that were made and the volume of data. One of the big discoveries concerned the moon Enceladus. Until that point, Enceladus had been seen as a tiny, icy and fairly nondescript rock in space, but the mission discovered that jets of water vapour were firing from the surface of the moon into space. Liquid water is incredibly important, as we all know; liquid water is the foundation of life. Suddenly, this icy and seemingly irrelevant moon became very important in our consideration of the potential for life in other places.

Finally, I want to mention Tim Peake. I was already a Member of this place when Tim Peake was launched into space, and his mission has inspired a new generation of young people to consider STEM careers and careers in the space industry. Over the years of the space race, we have moved from looking out the way and providing data for us here on Earth. Increasingly, satellites—several Members have mentioned them—provide just such information, and they have become fundamental to our way of life. From maps and navigation systems to up-to-date weather forecasting, those satellites offer us information that we could not previously get.
Despite some embarrassing comments—I am sorry to bring the tone down slightly—last summer from a member of the Scottish Conservative party who described the industry as “science fiction”, the space industry in Scotland is flourishing. The first company was Clyde Space, which was founded in 2005 by Craig Clark. It was named after the River Clyde, on the banks of which it sits. Craig Clark had the ambition that it took to set up Clyde Space. He knew that there was the talent required in Glasgow, and that the universities—Strathclyde, Glasgow and the West of Scotland—had space-facing courses. They have been adapted to work with the satellite industries in Glasgow, and that has been a huge success.

Clyde Space has a vision. At one point, 25% of all ships were built in Glasgow, and the company has a similar vision for spacecraft—a vision that we in Glasgow are well placed to fulfil. When Clyde Space came to Glasgow, it had a multiplier effect. Alba Orbital, only a mile and a half away from Clyde Space, makes pocketqube satellites, which are tiny satellites that weigh about half a kilogram. Unicorn-1, the first pocketqube satellite, was developed in partnership with the European Space Agency and is due for launch this year.

Another company, Spire Global, is coincidentally located in the same building in the centre of Glasgow as Clyde Space. Spire’s headquarters are actually in San Francisco, but it was looking to expand and chose Glasgow for some very good reasons. The chief executive talked about the high-quality research taking place in Glasgow, and the skilled technicians. Spire develops its own satellites and, unlike the other satellite manufacturers, launches them and sells on the data, including data about weather and tracking ships at sea. It does something different. These three companies together have ensured that Glasgow is now a European hub for CubeSats, and is now building more than any other place in Europe.

All hon. Members will, of course, champion their own constituencies as the potential location of the spaceport. But, just like the ambition of Clyde Space and Craig Clark, we should look further; we should look into having a number of spaceports. Scotland is absolutely spoilt for choice. Machrihanish in the Kintyre peninsula, and Stornoway airport in the Western Isles have potential. The A’Mhoine peninsula in Sutherland is another entrant to the spaceport race. More recently, it has been suggested that Unst in Shetland offers the opportunity of launching north straight into orbit, without passing over any centres of population. And, of course, as my hon. Friend the Member for Central Ayrshire (Dr Whitford) has already mentioned, Prestwick airport has an extra-long runway and fog-free facilities, which give it a huge advantage.

The educational opportunities of having a spaceport cannot be underestimated. As a teacher, I had the real privilege of working with the Scottish Space School at the University of Strathclyde, which sent students from Scotland to Houston in Texas for a week-long programme of activities about space; in fact, those trips still happen. If we get this legislation right, we have the potential to do that again here in the UK—in Scotland.

The regulation must support the work that companies are doing. A number of Members have mentioned launch sites. Manufacturers will always launch from the most economically viable location. The difficulty with the UK just now is that it is considered to be far more stringent in its jurisdiction than other locations. The third party liability cap has also been mentioned. The cap must be in place and it must be realistic in order for operators to get the insurance. Without it, CubeSats currently manufactured in Glasgow will continue to be transported to other locations, even when we have a spaceport. The difficulty for the UK space industry is that some countries will require the satellites to be manufactured there in order for them to get the licences to launch. Although that is not currently a big issue, it could be an issue for future investment. If restricted regulation causes the developers to invest elsewhere, we will lose out on future business, regardless of the attractiveness of locations such as Glasgow.

I wrote to the Secretary of State for Business, Energy and Industrial Strategy in August last year, and I got a reply from the then Science Minister, who is in his place today. He said that

“some small satellites can represent an increased risk over larger satellites as they often operate in the most congested regions of space, they rarely have any means of propulsion and can be difficult to track”.

Now, that is the case regardless of where we launch from, so we must get the legislation right to ensure that we can launch from the UK. The Minister went on to say:

“The UK Space Agency is also reviewing the UK’s approach to third party liability insurance, in particular with regard to small satellites and large constellations.”

I hope that this will ensure that a reasonable cap is placed on the liability for operators. Without it, they cannot get insurance; and without insurance, there will be no launches.

The Government have a duty to support this industry. Reaction Engines has been mentioned a number of times. The Minister has already mentioned the £65 million investment that I believe Reaction Engines finally received in 2016, but it was promised that money in 2013, so the company was trying to develop for three years without getting funding. We need to be realistic about the funding.

Brexit poses some threats to the space industry, to which collaborations and people are key. These people need assurances, not the ongoing uncertainty of the current situation. I found myself in the strange position a few moments ago of agreeing with the hon. Member for Ribble Valley (Mr Evans) when he raised concerns about the Galileo project. We must ensure that we protect UK industries in that project. If suppliers for Galileo must be part of an EU state, our suppliers are under threat. There must be protections in place for them. The Galileo and Copernicus programmes were both designed by the European Space Agency, but they have been built with EU funds. This money is funnelled through member states of the single market only. The UK currently receives about 15% of inward investment from the European space budget, but its contributions account for only 12%. The UK Government must make up the difference to ensure that there is continued financial support for space-related activities.

There is a great potential in space, and great potential for us to get the legislation right. Let us hope that we can work together to ensure that the UK space industry gets what it needs. This is one area of UK Government policy that has the potential to be frictionless.
7.7 pm

Mrs Sheryll Murray (South East Cornwall) (Con): It is an absolute delight to follow the hon. Member for Glasgow North West (Carol Monaghan). At least Scottish National Members are here taking an interest. It is really strange that there is now only one MP—who has just come into the Chamber—on the Back Benches from the official Opposition, and that is the Opposition Whip. Obviously, the Labour party has no interest in the future prosperity of the country.

I thank the Department for Transport for having the foresight and ambition for the country to bring forward this important Bill. There are many small steps and, indeed, giant leaps that need to be taken as we, as beings, explore the frontier that lies beyond the atmosphere.

I am proud to be Cornish, and I am very proud of the fact that Cornwall has always been at the forefront of new innovation. As my hon. Friend the Member for St Austell and Newquay (Steve Double) has already said—I do not apologise for repeating it—Cornwall has done that throughout its history, with inventors and engineers such as Richard Trevithick, who built the first steam locomotive; Jonathan Hornblower, who invented the compound engine and the steam valve; and Arthur Woolf, who invented the high pressure compound steam engine. Cornwall has a history of innovators when it comes to engines.

Cornwall has also been at the cutting edge of communications. Porthcurno, before it was used as a location for “Poldark”, was the point at which many submarine telegraph cables—transatlantic and to other locations—came ashore, and was at the centre of UK-international communications. Cornwall was the home of the world’s first parabolic satellite communications antenna at Goonhilly—at one time, the largest satellite earth station in the world. More recently, Cornwall has seen great steps forward as the Bloodhound team attempts to create the fastest car. I was fortunate enough to meet the team in Parliament and have a go in their simulator. I have to confess that I was not very good, and I am sure they would not employ me as a driver, but I wish them well with their goals.

In this light, I want to see Cornwall at the forefront of moving forward as we reach into space. Cornwall would be the perfect location for a spaceport. Newquay airport shares its airspace with no one else—the nearest other commercial airport is Exeter, and beyond that, Bristol. Therefore, Newquay airport, with its very large runway, has an ideal opportunity to be the location for the first spaceport. I thank Cornwall Council and the local enterprise partnership for all the fantastic work they have done in putting forward the case that Cornwall should host the spaceport and making sure it has the capacity to do so. The potential for any such facility is great. We have seen an ever-increasing demand in satellites, and that is expected to grow by over 10% over the next decade. However, the true growth will come as we undertake more research. We have already seen massive growth in research, which is, in itself, a growing sector. I want Cornwall to be at the centre of that. This research is where the true advances and the real value will come from.

I look forward to the future and the advances that we are yet to know about. I believe the future is bright—not unlike, obviously, the Opposition. It is becoming clear that a lot of this future development will come as we go boldly beyond our atmosphere into the next stage of our progression as human beings. I look forward to this transformation and want to see Cornwall at the centre of it.

7.12 pm

Justin Tomlinson (North Swindon) (Con): It is an absolute pleasure to follow my hon. Friend the Member for South East Cornwall (Mrs Murray), who has put a very strong case for why her constituency should benefit—

Mrs Murray: Cornwall!

Justin Tomlinson: She has put a very strong case for why the whole of Cornwall should benefit from this very exciting Bill.

I very much welcome the Bill. It is an interstellar element of our modern industrial strategy setting out how the UK will become a leading player in the commercial space age. This is really exciting. I am delighted to hear all the MPs, right across the House, pitching for why their constituencies should host future spaceports.

[Interruption.] My right hon. Friend the Member for Wantage (Mr Vaizey) suggests that I am pitching for North Swindon. I am delighted to say that Swindon proudly hosts the UK Space Agency head office. We have the power; we are the strategic decision makers. I can assure hon. Members that all the key bodies at the head office will be listening to this debate eagerly as each MP pitches for their constituency to be at the forefront of this fantastic advancement in our modern industrial strategy.

I was very excited to visit the UK Space Agency again very recently, meeting the chief executive, Graham Turnock. It was one of my favourite visits. He was incredibly passionate, and patient with the 8 million questions that I had, including where we had got to in finding aliens. There are 120 employees at the head office. I was struck by how passionate they were, from the chief executive right down to the apprentices, who had fought for that unique, truly exciting and inspirational opportunity that they wanted to seize and have a career connected with space. It was a really memorable visit. As a constituency MP, I am very proud that we are at the heart of that head office. I was fascinated as they set out how this industry impacts not just on the obvious areas but on the energy sector, the finance sector, the health sector, defence, telecoms and transport. It is cutting edge in terms of climate change and dealing with natural disasters. It is right back on our streets with local authorities, helping with bin collections, planning applications and planning development. It is amazing how diverse the impact can be.

There is huge potential, with 8% growth year on year in the past decade. The Government are rightly committed to getting a 10% share of the global space economy by 2030, worth £40 billion. I suspect that that is why there is so much cross-party support for this very important Bill, which will benefit the UK. The UK’s aerospace supply chain, manufacturers and service providers will benefit from opportunities to participate in the new market for small satellite launch and sub-orbital flight. Local jobs and economies will benefit from the creation of spaceport sites and the businesses needed to support them, such as tourism, hospitality and construction.
There will be a real boost to UK science and innovation, with cutting-edge research. North Swindon hosts all the research councils that help determine where research grants are spent, so young people in my constituency will help to influence this. Young people seeking careers in science, technology, engineering and maths will gain new opportunities, and entrepreneurs will benefit from increased opportunities to build innovative commercial enterprises—no doubt helped by Innovate UK, also hosted by North Swindon. In effect, I am making a pitch for the Minister to visit. It is just one hour away on the train—as he, a Transport Minister, will be very much aware.

Finally, I want to concentrate on a point flagged up by the hon. Member for Glasgow North West (Carol Monaghan), who spoke of her former role as a physics teacher, and how space inspires young people through their learning, as it genuinely does. It catches their imagination. That is why there are so many films, books and TV shows connected with space. Initially, my knowledge of space was based on that very good, popular TV programme “The Big Bang Theory”, but having had that very exciting and interesting visit to the UK Space Agency, I am now far more knowledgeable.

The focus of young people’s recent inspiration has been on Tim Peake’s six months on the international space station. For example, 600,000 children took part in the seed experiment organised by the UK Space Agency, with Tim Peake’s help, comparing seed growth in space with that back on earth. It is a good job that I did not participate—with my gardening skills, I might have messed up their results. The Tim Peake primary project uses space to increase primary-age children’s engagement with science, numeracy and literacy. When I visit my local schools and talk to teachers about the work that the UK Space Agency does with its school visits and helping to inspire children, they are all really keen to take advantage of those resources. I urge the Minister to talk to his colleagues in the Department for Education to try to use this further, because it is genuinely inspirational. Tim Peake himself sets individual challenges. Young people from Swindon Academy, a secondary school in my constituency, pedalled and ran a combined 400 km, which is the altitude of the international space station as it orbits around the earth. That was a really good way to connect space with a way of learning.

This is a truly exciting Bill. It has huge potential financially for the UK in creating jobs and growth, inspiring the next generation, and uniting all political parties across the House. Together with all colleagues, I look forward to supporting the Bill as it progresses through the House.

7.18 pm

Sir Paul Beresford (Mole Valley) (Con): I certainly agree with the parting shot that I heard from my hon. Friend the Member for North Swindon (Justin Tomlinson).

I am tiptoeing into this debate from a position of enthusiasm but not very much knowledge. I am learning quietly and quickly, and have been for some weeks. I am very aware of the Bill’s importance, but also, as others have said, of having a spaceport—again, two. The thought of flying the All Blacks flying on an A380 for two or three hours to Australia and for four hours from Australia to this country, and then landing in Devon or Cornwall and tiptoeing on to a train to take another four hours to reach London is an exciting one. However, from the knowledge I have been learning, it seems to me that we need more than one site—and, because the Bill is going through, we need this urgently—and they should have facilities for vertical launch, horizontal launch or both.

Space and the space industry have been of considerable interest to me ever since I was a lad in New Zealand. I hasten to add that, as I have already said, my interest is not matched by knowledge. My knowledge has been further stimulated, however, by discovering and visiting on several occasions not just the Surrey satellite business that was mentioned, but—closer to home for me—the Mullard Space Science Laboratory in my constituency. It is part of University College London, and has been working on that site in Holmbury St Mary for over 70 years. I would be delighted to take the Minister, and even the Secretary of State, for a visit—if we can find it; it is hidden away.

Mullard is in an old manor house with beautiful grounds in the hills above and beyond Dorking. As one enters through the archway with its double doors into the foyer, one sees standing—alongside the ancient chandelier, and heading up into the wooden stairwell—two rockets from a bygone day. One only has to be there a wee while, however, to feel the pulse of the IQ of the scientific intelligence, which is quite staggering, of the people all around the site. There are modern buildings at the back, including a fantastic laboratory, and room for a little bit more building.

Mullard supports the Bill. At present, anything developed by the Mullard centre or other commercial or research organisations—this has been mentioned—is taken away from the UK to be launched. As the Mullard people have explained to me, this often means a loss of control. With the Bill and the development of our launch sites, which must go hand in hand and promptly, we will now be able to utilise British research and expertise in Britain to the benefit of Britain.

To give a feel of the importance of that, I wish to dwell for a few moments on the broad spectrum of the research going on. Just at this centre, there are 180 people—academics, engineers, post-doctoral researchers, postgraduate students and support staff. The research areas are staggering: they are doing astrophysics, solar physics, space plasma physics and planetary science, and researching climate extremes on earth, space medicine, space imaging analysis and detection systems. They are world-renowned experts in manufacturing scientific space instruments, although those instruments go not into our satellites but elsewhere.

Those at the centre have contributed equipment and expertise to projects such as Euclid, which is studying dark matter, the ExoMars rover, the solar orbiter—a large spacecraft mission that includes three Mullard-built plasma instruments—and the ESA solar wind electronic instrument. Additionally, they are partners in the team building an instrument containing three extreme ultraviolet telescopes. The Mullard team are building the electronics that will make them work. Perhaps most interestingly at the moment—this has been mentioned—they are building miniature instruments on QB50 CubeSats, which are small satellites of 30 cm by 10 cm by 10 cm. They are being deployed from the international space station, not from the United Kingdom. With the Bill and the development of the launch sites, I hope that UK firms will soon be able to directly operate the satellites they
build and the instruments within them. Reaction Engines has been touched on, and it is vital that such British inventions remain in our hands. I want to mention a few other points, some of which have also been touched on. Anyone with any knowledge, even if as limited as mine, can see there is a huge future in space technology. Alongside the Bill, we need to establish the structure for launching spacecraft from the United Kingdom, whether those launches are vertical or horizontal. This will enable the development of commercial applications, of which the most talked about—it has been mentioned several times today—is of course space tourism. However, other considerable commercial prospects are being developed. The most understandable is the launching worldwide of constellations of satellites, particularly those to provide worldwide broadband facilities. I understand this is commercially in the offing, and it should be helped in the United Kingdom both by the Bill and—if I may repeat myself—by the provision of at least one site and possibly two or more sites. The Minister will be aware of that, and we have clearly rubbed it in throughout this debate.

In looking at the Bill, we must make sure that the new legislation does not hold back commercial and scientific development and research. The way in which the Opposition spokesman, the hon. Member for Middlesbrough (Andy McDonald), talked made me feel gloomy, because regulation can cripple just such developments. For example, a huge effort is now being put into developing nano-satellites and constellations of satellites, and there is a realistic prospect of the world benefiting from constellations of satellites across the world.

We must, however, be careful for two reasons. First, there has been some mention of space debris and its generation, and the dangers of collisions are obvious. All the equipment shot into space has an end to its operational life, which may be a considerable number of years; indeed, some of the Mullard equipment is still running extremely successfully 15 years after its launch. I understand that this is under discussion and that the Minister may feel it is not appropriate to pass legislation at this time. However, if he is going to do something, I hope he does so with a certain freedom and looks at making the equipment disintegrate by design, so that it burns up as it returns towards the earth.

The second point, which has also been mentioned several times, is indemnifying insurance, a subject in which I have a little interest. We of course need it in case of accidents, which may happen, but we should recognise that we need not be stringent in the level of protection applied. I believe that the negative effect on any firm or research organisation of something going wrong would be far more damaging and would create a bigger hole than the actual financial one. At the moment, because of the cost, the prospect is that the Mullard laboratory will have to transfer the ownership of its developments to countries that have more appropriate arrangements to avert insurance costs and will therefore lose control of the project. That would be disastrous: if we provided the sites and took through the Bill, but then crippled such organisations with insurance liabilities, we would have wasted our time.

I note that, in certain circumstances, the Secretary of State will provide at least part of the indemnity. I am keen for the Government to recognise that they could consider providing more, if not total, cover for research organisations, such as Mullard, developing this equipment—nano-satellites, CubeSats—in carefully selected research projects. In many ways, the UK leads the world in space research and technology, but this problem of indemnity is threatening that position.

I was reminded by a very elderly gentleman that before the second world war rockets were banned in the UK and, I believe, in America, so there was no progress, but they were not banned in Germany, and Germany produced the V2. We need to think and move ahead positively, and I most certainly support the Bill.

7.28 pm

Mr Edward Vaizey (Wantage) (Con): I am grateful to you, Madam Deputy Speaker, for the chance to speak in this important debate, and indeed to follow my hon. Friend the Member for Mole Valley (Sir Paul Beresford). He started his speech by saying that he knew very little about the subject, but I must say that I would hate to hear a speech of his when he knows a lot about the subject. I thought his speech was very thoughtful and insightful, particularly in raising the two topics of space debris and insurance. His speech indicated that the space industry is very sophisticated. When we think about space, all of us—well, me: I would not presume to extend my failings to my hon. Friends and other hon. Members—think about men landing on the moon, but the space industry, like any other, is now on earth. It is very sophisticated, and may be very lucrative and beneficial to countries specialising in it.

I pay tribute to the Minister for introducing this important Bill. Of course, we have to thank George Osborne, who focused on the space industry and many other pioneering industries in his time as Chancellor of the Exchequer. How we miss his forward thinking and sophisticated approach to our economy. Luckily, we have part of his legacy before the House tonight. The Bill builds on previous legislation. It was a Conservative Government who passed the Outer Space Act 1986, and it is a Conservative Government who have brought forward this forward-thinking Bill on the future. That is why the Government Benches are full of people wanting to speak and the Opposition Benches are completely empty.

At first, I wondered why we needed legislation, but anyone who looks at the Bill will see that, through it, we are creating the regulatory framework that will allow the space industry to flourish in the UK, in particular by allowing us to build spaceports and have our own launch sites for satellites. At present, too many UK companies that build satellites rely on finding slots in other jurisdictions, so this will be a big change that helps the micro-satellite industry, as well as emerging industries such as commercial spaceflight and microgravity science. The Bill will create the framework that will help to realise the Government’s ambition for the UK to be one of the world’s leading space economy countries, and help the value of the space economy to quadruple in the next couple of decades.

I remember when many years ago, as a young man, I said I thought I should become a lawyer, and my godfather advised me to become a space lawyer. He was ahead of his time, but the Bill will give opportunities in the growing discipline of space law. I was interested to
see in the Bill, for example, the application of criminal law to spacecraft. If that does not herald spaceflight soon becoming mainstream, nothing will.

I wanted to speak in the debate because I represent the wonderful constituency of Wantage, which is 20 minutes closer to London than Swindon—an important point to make to my hon. Friend the Member for North Swindon (Justin Tomlinson). Although Swindon is, rightly, a centre for space industry, it is still 20 minutes too far away for the Minister, so I know that when he decides to head west, he will come to Harwell, where he has visited previously to see the extraordinary space industries that are burgeoning there.

It is hard to believe, but none the less true, that 80 space organisations are based in the Harwell space cluster. They include start-ups, small and medium-sized enterprises, public sector organisations and major companies such as Airbus, Lockheed Martin and Thales. Some 800 people work on the Harwell campus, their number having grown by approximately 13% every year. The Harwell campus as a whole has benefited from extensive Government investment over many years, with more than £2 billion worth of scientific facilities employing 5,500 highly skilled people in places such as the diamond synchrotron and neutron spallation source, which is managed by the Science and Technology Facilities Council. I will focus on a few of the organisations found on the campus.

RAL Space—Rutherford Appleton Laboratory’s space arm—has built more than 220 space instruments and ground-based telescopes. In 2015, it opened its national assembly, integration and test facility, which enables satellites ranging in size from CubeSats, which are the size of a whiskey bottle, up to 3 metres in length to be tested and calibrated; they can then be used to observe the Earth, carry satellite communications or help with navigation. I was delighted when the Government announced recently that the £99 million national satellite test facility, which will open in 2020, would be based at Harwell. I thank the Minister for that.

We also have the Satellite Applications Catapult, opened under the last Government as part of the Catapult programme, with more than 120 personnel. A useful organisation, it brings home to a range of companies that might not have thought that satellites were relevant to them ways in which satellite technology can help them. One of the most mundane examples I heard of—but fascinating because it is so random—was that supermarkets can use satellites to monitor their car parks to make more efficient use of the space. My point is that companies large and small that may think space has nothing to do with them beyond powering the satnav in their company cars can use satellite imagery in innovative ways, particularly firms working in agriculture and shipping navigation.

I am also delighted to have the European Space Agency’s European centre for space applications and telecommunications at Harwell. You will be delighted to learn, Madam Deputy Speaker, that the ESA is not part of the European Union, so the Brexiters cannot mess up the European Space Agency. It will survive the carnage of Brexit. It employs more than 100 people drawn from 27 countries; I hope they will be able to remain here. It also provides support for the development of new products and services: for example, the Pioneer programme supports the setting up of space mission providers, which will facilitate access to space by other developers. The first SMP is the Harwell-based UK company Open Cosmos. The ESA also has a highly successful business incubation centre.

The Space Industry Bill is vital to my constituency. It is an important step to enable spaceflight from the UK. No doubt spaceports will be self-selecting, and I have heard various people make a pitch for one. It would be political suicide for me to pitch my own constituency, where there is large piece of open land that is always the subject of great conflict. People have proposed building a garden town there; others proposed a reservoir, and some residents, in an attempt to stop the reservoir, proposed an airport. However, were their MP to propose a spaceport, I think he would be out on his ear, so I will not nominate my constituency to be the home of a spaceport. None the less, my constituency will benefit from the growth of the space industry enabled by the Bill.

I will make one final point—I see some of my hon. Friends yawning as I reach my peroration. At the end of last year, my good friend Rajeev Chand from Rutberg sent me a fascinating report produced by Morgan Stanley on space disruption. Space is now a thing—we talk about tech disruption and banking disruption, but now space is so well developed that we are getting space disruption. We talk about the UK economy and Government intervention, but it is interesting to see that there is a big private economy in space now, with $2.5 billion invested in companies wholly devoted to space last year alone. Those companies include names we are all familiar with, such as Blue Origin, owned by Jeff Bezos, OneWeb, and SpaceX, which is Elon Musk’s company.

The report points out the different industries operating in space. Landing on the moon is just the sexy part—the tip of the iceberg. Space industries include satellite launches, satellite communications, deep space exploration and lunar landing as well as Earth observation, asteroid mining, space debris—mentioned by my hon. Friend the Member for Mole Valley—space tourism, space research, manufacturing in space, and so on. Countries all round the world have an interest. Morgan Stanley identifies 90 companies, mainly from the US but also from Israel, India, Korea, Finland and many other countries. There is only one British company on the list of 90 space companies to watch, but—happily confirming my thesis that Harwell is the home of UK space—it is Oxford Space Systems, which is based in Harwell and builds small satellites. It is run by an extraordinary man called Mike Lawton. The first time I met him, he was powering buses with vegetable oil; now, he is building small cube satellites to be launched as a light payload delivering extraordinary benefits.

It is exciting to be debating the Space Industry Bill in the Chamber tonight. I am glad to see that it will not be opposed—nor should it be. It is a pioneering Bill, which builds on work done by this Government over many years to put the UK at the heart of a growing and vital global industry, namely space.

7.39 pm

David Morris (Morecambe and Lunesdale) (Con): This is quite a great day for me because I have been the chairman of the parliamentary space committee for nearly four years. When I was elected in 2010, it was the first all-party group I joined, so I have been watching
with interest over the past few years how this Bill has proceeded from its embryonic stages—from being just an idea—through various stages of development, to the point we are at today.

I have mentioned the space sector many times before, and that has brought a smile to some people’s faces because they do not realise just what the sector actually means for the UK economy. The space sector brings in £13.7 billion—nearly £14 billion—a year. It has outgrown every other sector by approximately 10% all the way through the recession and the austerity measures. The figure I think we heard tonight is that it has seen 6.5% continual growth over a period of about six years. It has therefore outperformed any other sector in the United Kingdom.

A lot has been said about Brexit issues and about how space will progress. ESA is actually separate from the Brexit issues and the EU, so I hope the projects we have already designed and agreed with ESA will carry on after the United Kingdom has embarked on its solo voyage away from the rest of the EU.

Having a spaceport is extremely important, because the space industry in the United Kingdom is very scattered, but very prolific. We have installations in the seat of my right hon. Friend the Member for Wantage (Mr Vazeys), who has just spoken, and in the Leicestershire area. We even have them in my constituency; in fact, there is one above my office, and I often joke that when the phones go off we know that the teleport system is being engaged upstairs.

This is a vast industry. The industries in my area are looking to put satellites into orbit to provide better navigation for ambulance services in the NHS. People do not realise just how big an industry space is and how our everyday lives are affected by it. Satellite navigation in cars, which is taken for granted, comes from the technology that has been utilised, especially by American companies, has come from Great Britain—even in the early stages of space exploration—so we have a lot to offer. We are taking a huge leap into the future by putting this Bill forward. Over the next few years, the equivalent of £1 billion will go into these projects, and that will be welcomed by the space industry.

I thank you, Madam Deputy Speaker, for letting me speak in the debate. I urge that the Bill go forward in the best way it can and that Members on both sides vote for it.

7.46 pm

Stephen Hammond (Wimbledon) (Con): It is a great pleasure to follow my hon. Friend the Member for Morecambe and Lunesdale (David Morris), who is the chairman of the parliamentary space committee.

When I listened to the opening remarks of my right hon. Friend the Member for Wantage (Mr Vazeys), who said that my hon. Friend the Member for Mole Valley (Sir Paul Beresford) had tiptoed into the debate, I realised that I was about to do exactly what the Bill is not intended to do, which is to crash into the debate. There are moments when I think I know a little about transport, but listening to the erudite, learned and extensive speeches so far, I realise that I know almost nothing about the sector. However, I want to make three very basic points, if I may.

When doing some thinking about what I should say tonight, I looked at the industrial strategy. Its strapline is: “Building a Britain...for the future.” That is exactly what this Bill is all about, and that is why it deserves our support.

Quite rightly, there have been a lot of comments from Members tonight about the size and growth of the sector. Quite rightly, in his opening remarks the Minister set out the Government’s ambition that the UK should be at the forefront of the opportunities that arise from this technology, and our excellence in the small satellite market. Overall, however, the key thing is that not only the Government but the private sector will invest in this industry. Therefore, if we want to see that investment, it is key that certain things happen. One is that the Government are in favour of it and create the right environment for businesses to succeed. Part of that is about putting in place the legal certainty for investment, as mentioned previously.

Whichever way we look at the current regulatory environment, it is in need of updating, so the Bill is particularly appropriate. That brings me to my first
substantive point, which is that many people in the House will know that, in fast-developing technologies and industries—particularly across the transport and infrastructure sector—not only is the regulatory environment lagging, as it is currently in the space sector, but the Government make no attempt to bring it up to date or to set in place a framework that will anticipate developments. One of the great advantages of this Bill is not just that it sets out a regulatory framework, but that it sets out one that is likely to future-proof the industry’s development over the next few years. I commend that thinking because, in so many other areas of infrastructure and technology, we have seen regulatory environments that frustrate future development.

From my quite cursory look at the Bill, it seems that there are a couple of issues that the Minister will particularly want to look at. I should start by saying that I particularly commend clause 1(4), which makes the point I have just been making. Normally, Back Benchers say to Ministers, “The last thing we want is for sweeping and inclusive powers to be given to Ministers”, but that is what we need in this sector. We need forward thinking and examples that can future-proof regulation. The demand for small satellites, the expansion of markets, the technology and global competition mean we need a relatively free and loose regulatory environment that can anticipate developments—within the context, of course, of ensuring safety and room for development. That said, there are issues with clause 1 that the Minister will want to explore later: for instance, some of the language, particularly some of the geographic restrictions, might prove to contain rather than allow development.

I also want to guide the Minister towards clause 8. There are two things there on which he will want to reassure the House if he really does want a forward-thinking regulatory environment and development in the sector. The phrase “contrary to the national interest” could easily be defined where an activity threatens either security or legal aspects, but he will want to ensure that activities are not regulated on the basis of prejudice. If one were to follow previous regulatory systems, there could be a whole proliferation of opportunities, in the area of economics, caught by the phrase. It must not stifle development.

The Minister will also want to reassure the House about the phrase in clause 8: “the applicant has the financial and technical resources” to undertake activities. The applicant should, of course, be able to fund its activities and must ensure that it is technically competent in this area, and it must ensure it has the right liability insurance and all aspects of safety in place, but—if I may guide the Minister to other regulatory systems, particularly in the financial services world—such statements elsewhere can be used to stifle small firms and initiative and prevent smaller companies from competing against larger companies. That sort of phraseology is often used to put in place relatively superfluous information requirements that prove to be overly exacting. I ask him to think carefully about that phrase when regulations are made so that his ambition and, I am sure, the whole House’s ambition—that the industry might thrive and opportunities be made available to firms both large and small—might be achieved.

Secondly, many colleagues have spoken about the marvellous opportunities in their constituencies, and it would be foolish of me not to take the same opportunity. Many would perceive Wimbledon as a leafy suburb in south-west London, which indeed it is, but I also like to think of it as tech suburb. Our small high-tech and biotech companies exemplify what is true of the opportunities in the Bill for all Members and their constituencies. Members might not have the space for a spaceport, but they will have the opportunity to bring forward and sponsor the inspiration that space brings to many and to create opportunities in the supply chain. That is what I will be doing in my constituency.

Many concentrate on spaceports and the large companies, but one forgets the opportunities for the small high-tech firms that will arise from the expansion of the satellite market and sub-orbital spaceflight. It is incumbent on us to ensure plenty of opportunities for the supply chain and small companies and to ensure that the skills required are given the appropriate boost. In the latter part of his speech, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) talked about skills. It is clear that a greater emphasis needs to be placed, both at secondary school and university level, on the skills that will allow industries such as the space industry to develop.

Finally, as I have mentioned extensively already, it is often the smaller firms that produce the ideas that enable big leaps forward such as those we expect in the space sector. It is often those accelerator institutions that push the technology forward. I hope that the Minister and the Treasury will have due regard to ensuring that those institutions can prosper and succeed so that the developments in technology, some of which we cannot anticipate, can come forward and so that sub-orbital spaceflight and space activities can succeed in the future. The Bill will future-proof the regulatory environment and could make a significant difference to investment and innovation in transport over the next decade.

7.55 pm

Paul Masterton (East Renfrewshire) (Con): I am pleased to see that in the Bill the Government are continuing to take the necessary steps to make the country a world leader in burgeoning industries. They have a great track record on getting Britain to the front of the race when it comes to science and technology, and the Bill maintains that record. Companies such as Virgin Galactic, SpaceX and Boeing are drawing closer and closer to running manned commercial spaceflights, which reportedly could start as early this year. The industry has the potential to go far—in more ways than one—and Britain should be at the forefront of it. With our world-class universities, business-friendly environment and infrastructure, we have the capacity to become a world leader in this industry.

I will leave it to my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant) to add his voice to the case for a spaceport at Prestwick, but I will say as an MP from the west of Scotland, in anticipation of his remarks, that I associate myself wholly with them, and indeed those of the hon. Member for Central Ayrshire (Dr Whitford), I should also point to the strong industry presence in Glasgow. Companies such as Clyde Space and Spire, with which some of my constituents are involved, are innovating at a remarkable pace, as the hon. Member for Glasgow North West (Carol Monaghan) mentioned earlier.
[Paul Masterton]

The commercial space industry, should we seize the opportunities it presents, could bring billions of pounds a year into the UK economy, and the Government are right to set the ambitious target of occupying 10% of the entire global sector. To achieve this, however, we need the right laws and regulations, and right now our laws and regulations are not ready. The current set-up dates from a time when commercial space travel was a laughable, virtually inconceivable idea, other than on television. On the eve of the advent of commercial space travel, our current legal and regulatory frameworks are just not fit for purpose. As there are no detailed international or EU regulations to adopt or copy into domestic law, it is our responsibility to make them. Indeed, it could be to our advantage to make them: Britain can and should be among the first, not the last, to institute proper regulations for the commercial space industry so that we can start benefiting from it as soon as possible, and as much as possible.

That is why the Bill is necessary. It will put in place the regulations we need to ensure that, when it develops in the coming years, the commercial space industry thrives in a safe and orderly manner. It will ensure, for instance, that a licence is needed for sub-orbital spaceflight activity, just as it is for flying an ordinary plane or driving a car. Likewise, it will provide for regulations relating to the area where spaceflight takes place in order to ensure that spaceflight is conducted safely. It will allow for the establishment of a whole raft of necessary safety and security regulations—regulations that will become more and more important as the industry grows. By giving effect to new offences such as hijacking, destroying, damaging or endangering a UK-launched spacecraft, it will ensure that nobody is put at risk. In recent years, we have rightly become scrupulous about regulating conventional air travel to ensure that people can fly as safely as possible and that people on the ground are as safe as possible from aircraft. It should go without saying that we must take the same careful approach to commercial space travel. The Bill will allow us to do so.

Bob Stewart: One problem is that there are 500,000 pieces of space junk running around, sometimes at very high speeds. My point is that we do not just need to regulate in this country; we need international regulations for how we approach space. For example, in 1996 the French satellite Cerise was destroyed by space junk from an Ariane rocket. We do not just require domestic legislation; we need to fit it into international legislation.

Paul Masterton: My hon. Friend is absolutely right. Space will be an international issue, and countries throughout the globe will seek to take advantage of the future opportunities. However, as he says, if we do not work together on an international basis, there may be trouble ahead.

In this quickly developing and highly technical industry, it is especially important to be flexible in how we regulate and how we amend regulations. What is right in one year could prove to be either irrelevant or imperfect in the next. We should avoid scenarios in which we make amending regulations a difficult or long-winded process. Circumstances are likely to change, and changes in the regulations are likely to have to happen. We should be able to deal with them smoothly rather than awkwardly.

The Bill represents a positive step by a Government who are clearly not content to limit their vision to “global Britain”. Space presents us with an enormous opportunity in the coming years and decades, and, with manned commercial spaceflights possibly just months away, now is exactly the right time to pass this necessary legislation and pave the way for “interplanetary Britain”. That may sound a bit glib, but, as many other Members have pointed out, the Bill is about something quite special. It has the potential to help reshape the ambitions and broaden the horizons of young people throughout the country, so that being an astronaut may be transformed from a momentary childhood dream to a tangible possibility. It could bring about a whole new scope for involvement in technology, causing a new generation of women, in particular, to become excited about science, technology, engineering and mathematics. It really could constitute a step change.

My constituent Emily Clark attends Strathclyde University. Along with about 100 other students, she gained a place in the university’s space school—which was mentioned earlier by the hon. Member for Glasgow North West—where they were visited by NASA astronauts and scientists. She was one of only 10 who were then chosen to visit NASA in Houston. We exchanged correspondence, and her excitement and joy about her experience flew off the page. She told me all about meeting astronauts including Fred Haise from Apollo 13, and about her VIP tour of mission control and building 9, which is where the mock-up of the international space station and the moon rover are kept. Now Emily is off to become a vet, but she said that her experience had changed her life ambition ever so slightly. She said that her interest in space exploration simply as a Trekkie had become a vet, but she said that her experience had changed her life ambition ever so slightly. She said that her interest in space exploration simply as a Trekkie had developed, and she thought that she might like to be Britain’s own Richard Linnehan. I suspect that most people do not know who Richard Linnehan is, but he is actually NASA’s space veterinarian.

For me, the Bill is not just about rules and regulations. It is about putting the UK at the forefront of space exploration, making it an industry in which we lead, and, in doing so, open up new jobs and new possibilities for future generations. I am delighted to support it this evening.

8.2 pm

Matt Warman (Boston and Skegness) (Con): I shall speak briefly in support of the Bill.

In my constituency, we talk about space far more than people might think. That is not because there is a lot of it in the open fenland and marsh country, but because, as one might expect, we talk about foreign aid an awful lot, and the question that always arises is why we give money to certain countries. They have space programmes. That is, in a sense, the definition of a country that is a thriving great nation: an economy that is looking to the future and does not need the help of others to thrive and travel to infinity and beyond—to the final frontier. I think the very existence of the Bill demonstrates that Britain today is a nation that looks forward to the future with confidence. This is not just empty rhetoric; it is something that the Government are doing in real detail.
Before the general election, I was privileged to serve on the Science and Technology Committee. We had a quick look at what was then a draft Bill; there was a limited amount of time for the full parliamentary process because of the impending election. We made a number of recommendations, most of which were prefaced by a declaration of our support for the Bill, for two reasons.

First, there is the huge economic potential that a thriving space industry brings to the country as a whole. We talk about artificial intelligence as an issue that will bring broad and widespread benefits throughout the growing new economy in this country, but we do not talk about space in the same way. It is a cliché to say that Teflon, which is now ubiquitous in every kitchen, was invented because of the American space programme. We should think of the forthcoming space industry in the United Kingdom in the same way. The Bill represents the beginning of a huge new economic element that will have huge tangential benefits, whether they are CubeSats or the satellites that will power a host of other industries. The point that the Committee sought to make at almost every opportunity was that the Bill was not simply about bringing the benefits of a spaceport to Newquay or Prestwick—or possibly to both areas, and to many more. Indeed, there is space in Lincolnshire, although it is very good agricultural land, so it would be a difficult decision to make.

There is not just the question of where we should put the individual assets that will be crucial to the development of an industry, but the vital question of how we should try to foster the benefits of an economy that is wrapped up in new technologies so that they can be extended beyond the technology that gets CubeSats up into space, and the research that will ensure that we do not end up with a space industry that pushes debris out into the ether, treating space as previous generations of an industry, but the vital question of how we should do with our own waste pretending that we could ignore the consequences for the planet. We must be mindful of what is going on, not only on this planet but beyond it, and I think that the Bill does that to some extent. We must begin to think of ourselves not only as global citizens, but as intergalactic citizens. We must consider the consequences of what we do as a human race, not only beyond our country’s shores but beyond our atmosphere. That is what real global responsibility looks like.

The Committee’s recommendations constitute an attempt to be genuinely mindful of the regulations that we need for an industry whose full scale does not yet exist. One of our aims was to come up with principles that would not be overtaken by events. For instance, we discussed drafting a memorandum of understanding between the two agencies that we expect to regulate the two principal types of spaceflight. I was pleased that the Government accepted a number of our recommendations, but the point of that particular recommendation was not that we thought it sensible to come up with hard and fast rules that should never be broken—as the Bill proposed at that point—but that we were asking the Government to be cognisant of the fact that the rules that we needed could not be made immediately. I think that the Bill tries to strike a balance between setting those valuable principles and identifying the broad areas that allow us to imagine that it is sensible to clutter up the outer atmosphere with bits of kit that will be of little value in years to come.

What I must praise about the Government’s approach to the Bill is that they sought to involve the industry, and sought to involve Select Committees. They also sought to make sure that we did not simply have a single principle that was so broad that it was almost meaningless—that we would also have principles embodied in legislation that were broad enough to allow industries to grow and flourish and did not constrain them too much.

I, like other Members across this House, support this Bill, but I do so specifically because it does not embody every single regulation in statute; it looks optimistically to the future and acknowledges that not only is this the industry that will in the first instance take affluent tourists a long way from home, or people very quickly from one part of the country or the world to another, but that it will foster an entire new industry that can be plugged into our existing economy and will bring many benefits that go way beyond the invention simply of technologies such as Teflon—although I hope this Bill has all the material benefits of Teflon and we do not allow ourselves to get stuck on the details and instead stick, in a non-stick Teflon kind of way, to the beautiful principles that will allow us to see more of space in the future. I am glad to support the Bill this evening.

8.11 pm

Luke Graham (Ochil and South Perthshire) (Con): As a lifelong devotee of “Star Trek” and an avowed Trekkie, I cannot communicate how delighted I am to speak in this debate. Growing up, I always imagined that by 2018 the United Kingdom would already have a well-established, even thriving, space industry, with regular trips to the moon, Mars, or even galaxies “far, far away.” Sadly, that is not the case and in the absence of Starfleet I have had to join the next best positive forward-looking organisation: the Conservative party. To have the opportunity to help make it so here tonight is very exciting for me and, I believe, for the entire United Kingdom.

It should therefore come as no surprise to anyone that I rise to speak in support of the Space Industry Bill. The Bill aims to establish a new regulatory framework for UK-based spaceflight activities, including the operation of UK-based spaceports and the launch of new space vehicles.

The UK space industry already impacts on many sectors of the United Kingdom’s economy, services and even everyday life. From weather reporting to, as has been said, satellite navigation, telecommunications and financial services, our space industry has positively impacted on all walks of life. In 2016 an assessment by London Economics to the UK Space Agency estimated that over £250 billion, or 13.8%, of non-financial UK industrial activities were supported by satellite services. More specifically, as recently as 2015, income from the UK space industry was estimated at £13.7 billion, the equivalent of 6.5% of the global space economy. With the ever-decreasing cost of small satellites and launches enabling increased usage of satellites, the already substantial economic impact of the UK space industry is only going to increase further.

Even as we speak, a number of potential spaceports and launch companies are developing plans to offer UK launch services, but they currently have no legal framework within which to plan future operations. With the Government aiming to grow the UK space industry to an annual turnover of £19 billion by 2020, and for it to...
be 10% of the global space market by 2030, the Space Industry Bill represents an opportunity to strike while the iron is hot.

Moving on to the contents of the Bill, as things currently stand neither international aviation law nor space law are suitable for commercial spaceflight in the UK, thus impeding the UK space industry’s development. Indeed, following its review of UK commercial spaceplane operations in 2014, the Civil Aviation Authority recommended that the regulations for spaceflight activities be updated. Therefore, legislation is required to put in place this enabling regulatory framework.

The Bill seeks to address three areas of policy: the promotion of the UK space industry; ensuring the safety of all space-related activities; and ensuring the UK’s international obligations are reflected in UK law. Towards these three objectives, the Bill proposes seven areas of legislative framework, which the Minister outlined earlier.

**Stephen Kerr:** My hon. Friend is about to describe frameworks that apply to the whole of the UK, and what lies ahead of us over the next two days is an outstanding example of why we often need UK frameworks.

**Luke Graham:** I could not agree more; frameworks are very important. As outlined in “Star Trek”, the Federation represents a united principle with very little nationalism present, and I hope that is the future we will all strive for this evening.

There is nothing in essence with which I disagree in this Bill, which is why I support its principles. However, that does not mean that there is not more that can be done. Pre-legislative scrutiny by the Science and Technology Committee, which largely welcomed the draft Bill, highlighted some areas in which the Government could provide more policy detail, particularly environmental protections, delegated powers and the licensing and insurance provisions in the Bill. It also recommended an updated impact assessment, as the previous assessment had not been updated since the Government decided to legislate for spaceflight separately in the modern transport Bill.

I shall therefore highlight two areas of concern which I would like to see addressed, and which hon. Members on both sides of the House have referred to; I hope the Minister will respond to the concerns raised in summing up. I note that the Government consider that existing environmental and planning laws provide sufficient protections, but that they were considering adding an amendment which would require licence applicants to submit a noise and emissions assessment during the licence application process. I ask for the amendment to be introduced and to address specifically the environmental concerns raised by the Committee and in this House, so that our national environment can continue to develop, live and prosper for many years to come.

The second area of concern is the lack of a liability cap, and I urge the Government to introduce one. This would bring our space industry into line with those of Australia, France and the USA, which, of course, is the world space industry leader. The purpose of the liability caps in clauses 33(5) and 11(2) is to allow spaceflight operators to obtain affordable insurance. Without it, the prohibitive cost of obtaining insurance for unlimited liability would undermine the growth of the space industry in the UK, which, for me, is the key point of this Bill.

I accept that there is a need for flexibility within the legislation to allow for future technological advancements and changes to the international legal landscape. None the less, I believe there is still scope for some middle ground to be found between the Bill in its current state and increased clarity around the issues I have raised, while still allowing for the flexibility which is required. I therefore ask the Minister to consider the concerns raised by industry and the Committee, and the clauses I have highlighted for further consideration.

I would like to make one final point: with no existing spaceport or launch site in the UK, there is a glaring gap in the UK space industry market. However, this Bill provides an opportunity for Scotland, which is well placed to support, and benefit from, the growth in the UK space industry. Scotland has a strong heritage in the space sector. Companies such as Clyde Space and Spire have helped Scotland to become a hub of space activity, with Glasgow building more satellites in the last two years than any other city in Europe. Furthermore, future space innovations are being created by institutions such as the national Astronomy Technology Centre in Edinburgh and Strathclyde University, while it should be noted that Scotland’s geography is well suited to a number of different launch operations including vertical-launched rockets. The potential to launch satellites from traditional rockets has seen organisations across Scotland develop business cases for spaceports in their regions.

As a proud constituency MP, I highlight the burgeoning aerospace industry in the Kinross-shire area of Ochil and South Perthshire, which I also hope will benefit from investment through the upcoming Tay Cities Deal, making it ripe to maximise the future benefits we hope will come from this Bill.

This Bill is vital to establish the foundation for the British space industry. We have an opportunity to capitalise on our technological edge, leveraging investment from our financial powerhouses in London and Edinburgh to fund companies and infrastructure to bring the UK truly into the space age.

8.19 pm

**Bill Grant** (Ayr, Carrick and Cumnock) (Con): It is my privilege to follow my hon. Friend the Member for Ochil and South Perthshire (Luke Graham). My early connection with space was before his, and it came from the Eagle comic’s characters such as Flash Gordon and Dan Dare, who are probably known only to a few here in the Chamber today. It is my pleasure to speak in support of the Bill this evening. It will pave the way for the next steps in British innovation and engineering. The UK space industry is already thriving, as we have heard. It is worth somewhere in the region of £14 billion and directly contributes more than £5 billion to this country’s economic output. It supports a staggering 40,000 jobs throughout the United Kingdom, and I was delighted to learn that our space sector accounts for around 6.5% of the global space economy.

This success is the perfect launch pad for our ambitions. It has long been the UK Government’s goal to become one of the leading players in, and indeed out of, the world when it comes to the space industry. That is why I was delighted to see such strong support for the aerospace
industry in the Government’s recent industrial strategy White Paper. The aerospace growth partnership, the collaboration between the Government and industry, is rightly focused on growing the UK’s aerospace capabilities, of which there are many. It instils the confidence necessary for future investment. We have already seen almost £4 billion committed to the industry between now and 2026, and I am sure that it will attract significantly more finance.

The passage of the Bill on to the statute book cannot come soon enough. The aerospace industry is currently regulated by, strangely enough, the Outer Space Act 1986, which was passed more than 30 years ago by a progressive and thoughtful Conservative Government. We are doing a similar thing today. In 1986, spaceports and commercial space journeys were the stuff of science fiction, not of legislation. If we are to take our position as a global leader in space technologies, as I am sure we will, we must ensure that the regulations are fit for now and for the future. Under the current regulations, for example, the development of spaceports in the UK is restricted, and the only licences that have been granted were for launches outwith the UK. The current system is also woefully lacking when it comes to the safety and security of spacecraft, of space infrastructure and of the people involved in the industry. International and EU rules simply have not been able to keep pace, and there is no detailed regulation in this area.

The Bill will establish a new regulatory framework and allow us to close some of the gaps. The Science and Technology Committee, of which I am now a member, undertook an assessment of the Bill. That was before my time in the House, but I was delighted to note that the Committee gave its broad support to the Bill and also heard from several representatives of the space industry. Organisations such as the Royal Aeronautical Society and companies such as Virgin Galactic and Airbus welcomed the Bill and the positive impact that it will have on the UK space sector.

The Bill will allow for the operation of UK-based spaceports. This is extremely important for Ayrshire—and, I am sure, for Cornwall—where we are proud to be the home of the Prestwick international aerospace park, located in the constituency of the hon. Member for Central Ayrshire (Dr Whitford), which neighbours my own. Glasgow is fortunate to be a close neighbour to Ayrshire. As has been mentioned, Glasgow is a European centre of excellence for the construction and assembly of high-tech satellites, so there is a good partnership there.

Prestwick aerospace park is home to more than 3,000 employees and some of the UK’s largest aerospace companies, such as BAE Systems and Spirit AeroSystems, to name but two. It is Scotland’s only aerospace enterprise area, and it is noted as a centre of innovation and technical excellence in aviation, not only locally and throughout the UK but globally. There are, for example, 8,000 engineering graduates living within a 45-minute commute of Prestwick, including many who live in my own constituency. The airport at Prestwick is currently developing a plan to make it one of the first spaceports in the United Kingdom and Europe. I emphasise the word “first”; we do not mind who comes second. The large site is ideally suited for such a purpose, with a concrete base runway that stretches for almost 3,000 metres. It is one of the largest runways in the United Kingdom.
Stephen Kerr: I am the better for that intervention, but I am now worried about what else I will say. I am grateful for the fact that the hon. Lady, who is a physics teacher, is in the Chamber today to provide that illuminating insight. I hope that we can agree that 25.020 mph is very fast, but such speeds are difficult for us to assess with our 70 mph motorways, which make it difficult to imagine a speed 357 times faster. Even the HS2 line, operating at 250 mph, pales into insignificance. I am obviously deploying parliamentary understatement when I say that we are dealing with something out of the ordinary as a means of transport.

It is the need for speed that necessitates this Bill, not in the physical sense that I have been discussing, but in the legislative sense. Prescriptive legislation that annotates all aspects of regulation is doomed to fail in the fast-moving and changing world in which we live, especially in this fast-moving industry. I made similar comments about the need to move quickly to keep up with the times in the context of the Automated and Electric Vehicles Bill and data protection legislation.

Dr Whitford: I totally accept the point that we need flexibility to keep up with innovation, but do the hon. Gentleman and his colleagues recognise that the industry is anxious because it cannot see draft regulations a mere two years before the Government would like to see launches?

Stephen Kerr: I thank the hon. Lady for her intervention, and I agree. It is important to establish a framework in which policy is laid out so that, as mentioned in her excellent speech, investors can have some view of the future and there can be certainty for investment decisions. Going back to what I was saying about the other Bills, it is important that legislation keeps up with the rate of change, and technological change in particular.

Several Members have mentioned the vital importance of spaceports and their location and the opportunity for this country to have satellite launch facilities within its borders instead of sending satellites abroad, and that issue has been well discussed throughout the debate. It is frequently pointed that the United Kingdom has some attractive geographic advantages when it comes to launch facilities. If someone is intent on launching satellites into polar orbit, launching them over an ocean at a good angle is what they are looking for, and Scotland has a good number of ideal locations for vertically launching satellites into polar orbit.

A space race is going on, but it is not the same as the space race of the past; this race is about establishing new spaceports. The competition is not just between locations in the United Kingdom—I totally subscribe to the view that there should be as many spaceports as demand requires—but between the United Kingdom and other northern European countries. This Bill allows the possibility of the UK getting into this game early, getting ahead and staying ahead.

Madam Deputy Speaker, you will not be surprised to hear me say that Scotland is indeed the ideal location for spaceports, and its candidate locations are competing to become Britain’s first spaceport. In a really good speech, my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant) spelled out the advantages of Prestwick, as did the hon. Member for Central Ayrshire (Dr Whitford), and one of the attractive features of the Prestwick proposal, apart from the geographic and meteorological advantages, is the community and cross-party unity on the matter. I cannot think of a more inspirational happening for the young people of the west of Scotland than the announcement of the building of a spaceport in Ayrshire—right on the doorstep of the vast majority of Scotland’s population.

I belong to the generation where the word space immediately conjures up the three-word phrase “the final frontier”, which has been referred to several times, but we are talking about something far more real than the science fiction and television series of my boyhood. As an eight-year-old boy in 1969, I remember watching in wonder at the flickering black and white images on our family television as the astronauts of Apollo 11, Neil Armstrong and Buzz Aldrin—names that will live forever in the history of mankind—stepped out of the lunar module and on to the lunar surface, famously taking that “one small step for a man, one giant leap for mankind.”

It was an exciting time and the possibilities of space exploration seemed limitless, and every young mind in the country was seized with the excitement of that possibility.

Sadly, before I had even reached my first year at secondary school, manned flight to the moon, which was such an exciting prospect, had lost the attention of the vast majority of people. It is sad to say that the only time in recent memory that the British public really embraced, in a popular way, the concept of space exploration was Christmas day 2003, when Colin Pillinger and his team attempted to land Beagle 2 on the surface of Mars, as I am sure we all remember. Perhaps in the best traditions of noble first endeavours, it did not quite come off. Colin sadly passed away without knowing that he had come very near to achieving the objective of the mission.

I am most excited about this Bill, this subject matter and what it does to fire the imaginations of our young people.

Luke Graham: My hon. Friend refers to the moon landings in the 1960s. It was a small step for a man, but does he agree that this Bill is a chance to invigorate everyone in our country and to show how much they can contribute not only to the future economy but to the future development of the entire globe?

Stephen Kerr: Absolutely. This is about firing the imagination of all of us to the possibilities of space exploration.

I am mindful of the time, so I will press on. The fact is that we need this legislation, because without it we would create real risks for people. We have discussed the economic risk, but there is also the physical risk of injury. The risks of unlicensed or unregulated space activity happening in the skies above us are real. It is essential that we ensure the UK has a licensing regime that enables innovation and entrepreneurship but prohibits high-risk ventures that could do real damage.

With this Bill we are protecting not only the life and limb of our citizens but the communications and forecasting equipment that keep our country moving. There is no real difference between a major motorway that moves people around the country and a satellite that connects
two different parts of a business with a high-speed link—they both need protection to ensure that we have functioning national infrastructure. The Bill envisages an uncomplicated process for doing just by allowing for schemes and ideas to be given an indicative rating as to whether they can be licensed simply, thereby allowing everyday activities to proceed quickly, or whether there is a need to alter the programme or plan. The way that will change and update with changes in technology means that what is a high-risk madcap stunt today becomes standard operating procedure tomorrow. We need a framework to allow for such change.

As I mentioned earlier, let us not forget the inspirational and uplifting elements of space travel, and we have heard quite a few references to space tourism and the possibilities it might bring. These are inspiring technologies, not only from the point of view of seeing a large rocket blast off into space but from the results and benefits we will get from such launches. Space radar that penetrates the atmosphere to scan the surface of Earth in huge detail, photographic data at different wavelengths that can tell how healthy crops are and satellites that connect communities around the world are all part of a picture that shows what humanity can do when it puts its mind to something.

We need to travel at great speed to escape the legislative atrophy that often grips us as a nation. We cannot rely on 18th-century legislative engineering to support 21st-century endeavour. We must allow our entrepreneurs and business people not only to see the sky as the limit but to look beyond even that. Our job is to give them the frameworks and the ability to do so, unconstrained by the surly bonds of outdated regulation.

I urge the House to support the Bill.

Vicky Ford (Chelmsford) (Con): It is a great pleasure to be the last Back Bencher to be called to speak tonight on this enormously exciting part of our economy. The space industry is the fastest growing part of our economy, and it is key to jobs and growth. The sector has trebled in the UK since 2010, and the global industry is set to more than double. The jobs are high skilled, high value and highly productive, and that is not all. Investing in space boosts productivity, increases exports and ignites passion for science and technology. In this the Year of Engineering and the centenary of women first getting the vote, exciting that passion for engineering, especially among women, is key.

I remember that the science wall at school had a picture of the Earth, Archimedes and a lever, and the quote said, “Give me a lever and a place to stand and I will move the Earth.” I contest that the satellites we have put into space give us the ability to understand the movements in and on our Earth like never before. It is key that this is looking not only out to space, but at what is happening on our planet. This technology is changing all the time. I am a bit of a geek and just before Christmas I went to the annual meeting of the quantum technologies group. In my constituency, the company Teledyne e2v has invented a little box containing a gravity sensor which will go up in a satellite and from there, using quantum technology, will be able to understand what is happening inside and underneath the shell of our planet. We will be detecting earthquakes, understanding geology like never before and seeing what is happening in the heart of a volcano. This is not just cool—this is super cool; this is absolute zero being developed in Britain, in Chelmsford, for the future of our planet—it is great.

It is important that we think about not only the future of great big satellites, but about the development of the smaller satellites, the downstream applications and the state-of-the-art technology. In my previous job, I worked a lot with the European Space Agency. We have paid for the Galileo and Copernicus satellites, and we must make sure that British businesses benefit from being able to take part in the downstream applications and work on the data that we have. Space assets are also key to our modern communications, especially in security, but the UK is the only G7 economy that does not have its own Earth imagery assets. So it is important that we can continue to share data with other nations of the world.

We in Britain have a reputation for high-quality engineering. Another part of my local company Teledyne e2v is working in Leeds, where it is making the highly engineered filters, switches and converters that are critical technology for the OneWeb group of satellites. If something goes wrong once we have set it up in the sky, we cannot bring it down to mend it, so the quality of the engineering is key. This type of small satellite will provide the global network coverage so that we will have internet coverage from space, not just from cables. Being able to launch these small satellites from the UK has great benefits. So I thank the Government for this Bill. Our businesses have carried a lot of business risk in trying to carry out those launches from other parts of the world.

I was delighted when all of the representatives of the British space sector came for a roundtable in Chelmsford to examine this Bill. They are really pleased with it. It is giving a proper legal framework for their development and it is making Britain the go-to destination for investment in the space sector. Yes, there are some issues to address. The unlimited liability regime makes it impossible for insurers to provide coverage. It is not that they do not want to; it is that it is often outside their modus operandi. So let us look again at that. There is also a huge amount of interest in using this Bill to develop a mergers and acquisitions culture and framework, so that once we have put the satellites in the sky, it might be that they can be sold on to other investors. That will mean not only that Britain is the place for investment on Earth for our space sector, but we also become the place to invest for the universe. So I say thank you for the Bill.

Karl Turner (Kingston upon Hull East) (Lab): This has been a good debate, with some good and knowledgeable contributions. Members rightly made strong bids for their constituencies as potential candidates for spaceports, and I commend them for that. Given the time allowed, I do not intend to refer to every speech, but it would be a remiss if I did not mention at least the right hon. Member for South Holland and The Deepings (Mr Hayes), not least for his collegiate approach to this debate. Generally, as a Minister, his approach worked well. It certainly improved the ability to legislate in this place and I was grateful for that.

As my hon. Friend the shadow Secretary of State has said, the Opposition are broadly supportive of this Bill and welcome it. I must pay tribute to our colleagues in
the other place, who have successfully secured crucial concessions from the Government that have ensured that this Bill is now in a much better place than it was at the start of its passage through the other place.

It is, though, a skeleton Bill, and the detail is not ready. It has only 71 clauses, yet it provides for 100 delegated powers. We accept that it is not possible to provide all the necessary regulations in primary legislation but the Government could perhaps have dealt with some of the industry’s concerns. This is yet another example of the Government introducing skeleton legislation while they flail around on Brexit.

The Opposition intend to support the Bill, but we may in Committee need to table amendments on issues on which we have concerns, one of which is the delegated powers that the Bill will give to the Secretary of State. That was one of the matters on which our colleagues in the other place forced the Government to back down, thereby removing the Henry VIII powers. Nevertheless, the catch-all regulation-making power could weaken judicial oversight and may render other delegated powers less meaningful, so we may need to revisit it in Committee.

As the Bill stands, clause 2 limits the environmental objectives that must be considered to those set by the Secretary of State. We intend to probe the Government on that in Committee. There is still a worry that the powers set out in clauses 38 and 40, which deal with powers in relation to land use, may encroach on devolved planning powers. We may need to make reference in the Bill to the devolved Administration giving their consent to the use of the powers.

Again as the Bill stands, there is currently a lack of judicial oversight for emergency orders. The Constitution Reform Committee and the Delegated Powers and Regulatory Reform Committee in the other place have expressed concerns about enforcement authorisation, with the former describing the powers in clause 32 as “wide-ranging and potentially draconian”. We may need to table an amendment in Committee to deal with that.

Industry stakeholders' main worry with the Bill is the absence of a mandatory liability cap for spaceflight operators—a point made time and again in the debate. We will definitely probe further into this matter in Committee and ask the Government to clarify their position. The Government have given an assurance that a specific regulator—either the Civil Aviation Authority or the UK Space Agency—will act as a single point of accountability for safety on each individual mission. However, there is no detail on how that would work in practice and what the relationship will be with the Health and Safety Executive. That is something else to investigate further in Committee.

The Opposition very much share the Government’s ambition for the UK to be a leading player in the global space industry. To achieve the Government’s aim to grow the UK space industry from its current 6.5% of the global space economy to 10% by 2030, it is important that the industry has a spaceport facility, which is why it is crucial that we get the regulatory framework right.

As I have said already, the Opposition broadly support the Bill, but I hope the Government will work with us to make this legislation the best we can make it, by supporting the very helpful amendments we table in Committee.

8.48 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): It is a great pleasure to be able to respond to this Second Reading debate. We have heard some wonderful speeches and a wide range of expertise, ranging from my hon. Friend the Member for Mole Valley (Sir Paul Beresford), who spoke of his enthusiasm but downplayed his knowledge, only to display a considerable amount of knowledge, to that bravura turn from my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), who spoke for what is for him, as the House knows, a mere canapé in the smorgasbord of oratory, a throat-clearing before the tenor really begins, a tiny 18 minutes—one felt that the poor man had barely got into his stride. I, along with my colleagues, pay tribute to him. In his relatively brief remarks, he was able to speak eloquently of the surely temporary interlude that he is planning to spend on the Back Benches of this House. In his poetic tone, he reminded me of Walt Whitman’s poem, his famous centrepiece in “Leaves of Grass”, which is entitled, as the House will know, “Song of Myself”. It includes the famous sentence:

“I am large. I contain multitudes.”

The multitudes raised by my right hon. Friend include President Kennedy and the cast of “Star Trek”. It is fair to say that we all enjoyed what turned out to be a quite wide-ranging tour of his own achievements.

It has been a very positive debate today, and I thank all those who have taken part. I am also grateful to the Minister of State, my hon. Friend the Member for Orpington (Joseph Johnson), who opened this debate with such insight into the UK space sector and the opportunities that lie ahead. His continued close involvement in this programme of work and the knowledge and experience that he brings are a great asset to this Bill and to the work going on outside this House to realise spaceflight and its true potential, which was so well spoken of by so many Members across the House today.

Today’s debate has made it clear that this Bill is not politically charged or divisive and its ambition has not prompted serious disagreement or division, but invited reflection. In the best traditions of the House, it is reflection on the achievements of one of this country’s largely unsung success stories, our thriving space industry, and reflection on how best to ensure that this success continues for generations to come. Indeed, in the best tradition of pioneering space missions, this Bill has inspired collaboration, not contest, at all stages of its development and debate, which is a testament to the bold, exciting and important ambition that lies beneath it. We must now honour that ambition with legislation that is fit for purpose in the modern commercial space age—legislation that will make the UK the most attractive destination in Europe to operate a profitable and responsible space business.

As many Members have noted, the UK space industry is not short of ambition. The global launch and servicing of small satellites, of which there may be thousands in the coming years, could exceed £10 billion in revenues over the next decade, with an untapped European regional market potentially worth around one third of that. Nowhere in the world is this market more fully exploited by a sustainable, commercial offering until now.
Bob Stewart: Having run a satellite industry company, for me one of the worries is to do with the amount of launching that we are doing. That is great, but what we have to think about is how to get rid of the junk. There is so much junk up in space now that it is becoming incredibly dangerous. Internationally, we need regulations on how we destroy a satellite when its life is over. It should be brought down rather than left up, and the way to bring it down is to put it into the Pacific graveyard, which already exists. We bring the satellite down, and it either burns up or it goes into a very remote area of the ocean. We must think about that; otherwise, we are producing an environmental catastrophe.

Jesse Norman: My hon. Friend speaks for all of us from a great base of experience. Everyone in this House feels that the issue of space debris is a serious one. It is not only a serious one, but one that the Government believe they will be operating in line with international best practice in addressing the course of the implementation of this Bill.

The UK has a variety of factors that support it in this great ambition, including the right geography and the right environment in which to deliver new launch services. The Government’s industrial strategy, published last year, will continue to help our successful, competitive, open economy to grow.

Finally, we have the right industry ready to support and exploit new launch opportunities. Our pioneering space and aerospace sectors are home to many thriving companies and capabilities, including small satellite technology companies and the most innovative advanced manufacturing capabilities.

Half a century ago, the British rocket programme was considered unviable, but as the last rocket had already been built it was given permission to launch. Prospero, the small satellite it successfully transported into space, was the first and only satellite so far to reach orbit on a British launch. No longer. As Prospero said, “The hour’s now come; The very minute bids thee ope thine ear”.

Once more, we can reach for the stars and put an end to that lonely record—not at vast public expense or in a way that depends on the hospitality of others, but in the best spirit of British innovation: by enabling, attracting and empowering commercial markets for small satellite launch and sub-orbital flights from UK spaceports. In response to the vigorous pre-competition that has taken place, I should say that there may be more than one spaceport; they may be located in the north of this country and in the south-west. We welcome that open spirit of competition and possibility.

There will be many benefits. Entrepreneurs will benefit from new opportunities to build their enterprises. Local economies will benefit from the creation of spaceport sites with related jobs and opportunities in construction. Our small satellite industry will have direct access to domestic launch capacity. British space scientists will benefit. Young people seeking careers in science and technology, engineering and maths will gain new opportunities and—perhaps even more importantly—greater inspiration from an expanding UK spaceflight industry. How many of my colleagues have picked up on the importance of bringing the best and brightest young and old brains to work! The UK as a whole will benefit from access to a strategic small site launch capability, contributing to our understanding of the world, greater commercial and purvey services, national security and opportunities for new investment and export.

I could go into many other aspects, Madam Deputy Speaker, but let me turn to some of the comments made today. I am grateful for the points made by the Opposition. On issues environmental, the Government are committed to tabling environmental amendments in the Commons at Committee stage, and we look forward to working with the Labour party on that. Many Members mentioned a liability limit. There is no such limit in the Bill, and we expect that crucial point of discussion and debate to be addressed in Committee to the extent that it is necessary. The hon. Member for Kingston upon Hull East (Karl Turner) sought confirmation that there would be a single point of accountability for each spaceflight, and I can confirm that.

The House has focused on the importance of urgent regulation. As I mentioned, we are currently aiming to lay statutory instruments from summer 2019. That will allow time for more detailed policy development, consultation and drafting. My hon. Friend the Member for St Austell and Newquay (Steve Double) asked for reassurance that there would be continued involvement with the European Space Agency post-Brexit. Brexit will, of course, not affect the UK’s membership of that agency at all; it is entirely independent and includes non-EU member states such as Norway and Switzerland. We expect to collaborate closely with it.

Will there be adequate protection? The hon. Member for Glasgow North West (Carol Monaghan) asked for Galileo and Copernicus. The answer is yes. The joint report issued by the negotiating teams was clear in December last year: UK entities will be able to continue to participate in all EU programmes, including those I have just mentioned. My hon. Friend the Member for Wimbledon (Stephen Hammond) raised concerns that certain terms in clause 8 might be used to constrain the space flight market. As many Members have mentioned, the whole point is that in this case regulation is enabling us and building markets—it is not constraining markets, but creating them. That creative idea lies behind the Bill and the commercial possibilities unleashed by it.

We have talked about inspiration, and about debris. Let me wind up relatively quickly. There will be three main statutory instruments, as I have discussed, covering sub-orbital activity, space activity, and spaceports and range. They will be subject to the affirmative procedure, and they will therefore allow full parliamentary scrutiny and debate. [Interruption.] I am being encouraged by colleagues to mention Wantage.

Mr Vaizey: Harwell.

Jesse Norman: There are other places that one could mention very happily, but Harwell in the constituency of Wantage is particularly close to my right hon. Friend’s heart. Therefore, I mention it with great delight.

Today we are taking forward a Bill that will pave the way for a modern, safe and supportive regulatory framework for small satellite launch and sub-orbital spaceflight from UK spaceports.

Mr Vaizey: Will the Minister give way?
Jesse Norman: I can only salute my right hon. Friend’s ambition. Spaceflight will provide new growth and employment opportunities across the UK. This is a fine and important piece of legislation. It has what Tom Wolfe referred to as “The Right Stuff”, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

SPACE INDUSTRY BILL [LORDS] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following shall apply to the provisions of the Space Industry Bill [Lords]:

Committal
(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee
(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 30 January 2018.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading
(4) Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption that day.

(6) Standing Order No. 83B (programming sub-committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings
(7) Any other proceedings on the Bill may be programmed.—(Chris Heaton-Harris.)

Question agreed to.

SPACE INDUSTRY BILL [LORDS] (MONEY)

Queen’s recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Space Industry Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of:

(1) amounts paid by the Secretary of State by way of indemnity in respect of the liability of holders of licences under the Act for injury or damage,

(2) amounts paid by the Secretary of State under the terms of any insurance or reinsurance made available by the Secretary of State, and

(3) any other expenditure incurred by the Secretary of State under or by virtue of the Act.—(Chris Heaton-Harris.)

Question agreed to.

SPACE INDUSTRY BILL [LORDS] (WAYS AND MEANS)

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

That the draft Sub-national Transport Body (Transport for the North) Regulations 2017, which were laid before this House on 16 November, be approved.

Housing
That the draft Housing and Planning Act 2016 (Banning Order Offences) Regulations 2017, which were laid before this House on 16 November, be approved.

Police
That the draft Policing and Crime Act 2017 (Maritime Enforcement Powers; Code of Practice) Regulations 2017, which were laid before this House on 16 November, be approved.—(Chris Heaton-Harris.)

Question agreed to.

PUBLIC ADMINISTRATION AND CONSTITUTIONAL AFFAIRS COMMITTEE

Ordered,

That Sarah Champion be a member of the Public Administration and Constitutional Affairs Committee.—(Bill Wiggin, on behalf of the Selection Committee.)
around with this new crowd. She started rowing with Zoe. On one occasion, with Zoe under the influence of Xanax, she tried to stop Zoe going out. Another side effect of Xanax is aggressive behaviour, so, in addition to the normal behaviour that teenagers express when rebelling against their parents, in this instance Zoe physically and violently attacked her mother, leaving her with bruises on her arms and legs. Zoe then ran out of the flat. Zoe’s mother was desperate and frightened, and had no option but to call the police to restrain her daughter. At the same time, she rushed out barefoot into the street to make sure that Zoe came to no harm, and watched in horror as Zoe stepped out in front of cars and a bus. The police came quickly and arrested Zoe, which seemed to calm the situation down; no charges were brought. The next day, after spending a night in the cells, Zoe had no recollection of what had happened, nor of her arrest.

The problems continued. Zoe’s mother discovered that Zoe and her best friend were visiting various houses across north London where kids were taking drugs and drinking. Zoe’s mother then found out some of the names of the older people Zoe was mixing with. It transpired that some of those people were known to the police. With the help of the police, Zoe’s mother managed to get abduction warning notices served on six people so that they could be arrested if they were found to be associating with Zoe. An even more worrying discovery by Zoe’s mother were some baggies—small plastic bags used by drug dealers for neatly holding small amounts of drugs—hidden in Zoe’s bedroom. Zoe was now hiding things for her new friends.

In conversations I have had with the NSPCC, its staff have told me that Zoe’s behaviour is typical of someone who is being groomed. Zoe had been cut off from her school friends and had been warmly embraced by this new crowd, who promised excitement. Having been initiated, she was now doing favours for them. Zoe was now at risk of being exploited by people who were drug dealers, whom she regarded as her new friends.

Despite Zoe’s mother’s heroic efforts, Zoe continued to find ways of accessing Xanax. Things took a turn for the worse when, in September, Zoe and her best friend were found to be high on drugs in a zombie-like state, with dishevelled clothes and messed-up hair, on the school premises. As anyone who has a connection to a school will know, being drunk or intoxicated by drugs on school premises leads to a permanent exclusion. Despite this and after being implored not to exclude Zoe, the school allowed her to stay on and some support services were provided for her.

The pressure on Zoe’s mother was unbearable. She was so desperate and struggling to manage that she asked the local council if it could step in and find temporary foster parents for Zoe. Zoe was placed in foster care for just over a week. Although that seemed to shake her up, she was soon back to her old routine when she returned home. Despite Zoe’s mother and the school trying their best to help, Zoe was still able easily to get hold of Xanax, which was being peddled by a dealer from a booth in a McDonald’s restaurant two minutes away from the school. At £1 a pill, it was within what is affordable to some young people. To make matters even starker, the McDonald’s is next to a police station. All the information that had been pieced together was passed on to the police. Following pressure
from the school, Zoe’s mother and me, in December the police arrested three people on drug-related charges. This was not, however, before Zoe and her best friend were found to be drunk on school premises and then permanently excluded from school.

Zoe’s case is not the only one of its kind. On researching the subject, I discovered that on 9 May 2017, some 20 15-year-olds and 16-year-olds were taken ill in Salisbury, Wiltshire and received medical treatment after taking Xanax. A further eight young people were hospitalised in Sussex over the Christmas period after taking the drug, and in Scotland in the past month there has been an unconfirmed cluster of deaths from people injecting Xanax. Since securing this debate, I have been informed by hon. Members of further cases of Xanax abuse that have resulted in the hospitalisation of teenagers. Data about how widespread the misuse is of Xanax is patchy at best.

Last week, I met King’s College London’s emeritus professor of clinical psychopharmacology, Malcolm Lader OBE, who has over 50 years’ experience of working in this field. He told me more about the effects of Xanax. He said that Xanax was a powerful benzodiazepine which, if abused, could lead to a constantly dazed, zombie-like state and cause amnesia, depression, psychiatric disorders, rage and aggression. Taking it with alcohol would result in faster metabolism absorption of the drug and an amplification of the symptoms. He added that it was highly addictive—more difficult to come off than heroin—with prolonged psychological and physical reactions of muscle tensions, tremors, and perception disorders in relation to light, sound and noise. He added that in serious cases of overdose, it could lead to death due to slowing down of the heart and breathing problems.

So why has Xanax become so popular recently? Apart from being cheap—I mentioned that it is being sold for £1 a pill in my constituency—and just a click away on the internet, it has been glamourised in American rap music. The rapper Future has referred to Xanax in songs such as “Xanny Family” and “Perkys Calling”. Lil Uzi Vert has done the same in his song “ XO Tour Llif3”, also known as “Push me to the edge”, which, as of today, has been viewed 147 million times on YouTube. The artist 6ix9ine, who has over 1.5 million Instagram followers, often makes references to Xanax in his songs, as does Lil Wayne, such as in his song “I Feel Like Dying”. The list of rap songs mentioning Xanax, or “Xannies”, is endless. I wish to thank my nephew Alex for enlightening me about rap music.

Alex Sobel (Leeds North West) (Lab/Co-op): This is not a new issue. Body Count, rapper Ice-T’s rock band, sang in their 1997 song, “Dr K”:

“Need some (X)anax…want some pills. I want the grim reaper as my guest!”

Ice-T’s social commentary was a way of getting to the heart of the issue 20 years ago. Does my hon. Friend agree that some rappers, like Ice-T, do not glorify Xanax but give the grim reality?

Bambos Charalambous: My hon. Friend makes an excellent point. I am about to come on to how some rappers have been dealing with the issue of Xanax in a very different way.

Some rap artists have even allowed themselves to be filmed in a zombie-like state, after claiming to have taken Xanax, before they eventually lose consciousness. But even in the world of American rap, things are changing. On 15 November 2017, American rap artist Lil Peep bragged about taking six Xanax pills on camera. Hours later, he was found dead on his tour bus as the result of an overdose. The clip of him bragging is still available for all to see on YouTube and other social media. Following the death of Lil Peep, the rapper Lil Pump, who previously had a song called “4 Xans” and other songs with references to Xanax, and who had posed for a picture with a Xanax cake to celebrate achieving 1 million followers on Instagram, announced on new year’s day that he would no longer be taking Xanax. Three-time Grammy winning artist Chance the Rapper has also been candid about his addiction to Xanax up until 2014. He told his 6 million Twitter followers—I am paraphrasing—that Xanax was the new heroin and not to be fooled. He has gone on to do interviews where he talks about the damaging effects of Xanax on him and his recovery from addiction.

Whether this is a matter of art imitating life or of life imitating art, the problem is certainly a real one in the UK. Having questioned adults over the age of 30, I found that very few had heard of Xanax, yet those who are younger, ranging from 12 to 24 years of age, had heard of it and would sometimes mock my ignorance and that of their parents. At the older end of the range, users are self-medicating with Xanax to ease their anxiety.

The truth is that there is a cultural and age divide, and whatever the reason, the fact remains that Xanax is certainly the drug of choice for some young people. It may be because it helps to numb the pain, because it is a fashionable drug, or because it is cheap and easy to get hold of—I can only speculate—but what I do know is that not enough is being done about the problem, which I believe is likely to get worse. Xanax is the drug of choice for the young generation. If steps are not taken now to tackle the problem, we will suffer the consequences both in the cost to the NHS and in personal tragedies.

Although it is pleasing to find that Xanax is the No. 1 news item on the Government’s “Talk to Frank” website, which is designed to be accessed by young people, much more needs to be done. In the United States of America, abuse of Xanax is endemic and even some of those who were legally prescribed Xanax are dependent on the drug.

There is widespread ignorance of Xanax among the general public. There is very little, if any, research into or data on the misuse of Xanax and the reasons people use it, and very little is being done for those dependent on it. There are also enormous pressures on children’s and young people’s mental health services. There is a mental health crisis in our classrooms, and funding for child and adolescent mental health services has been cut. There is a window for early intervention, and that is key because half of all mental health problems are established by age 14 and three quarters by age 24.

If the Government want to do something about the problem, I would strongly suggest that they do three things. First, they should be running campaigns to raise awareness of the dangers of misusing and abusing Xanax to inform the public. The lack of knowledge about Xanax and its side effects is startling. Secondly, they should be providing more support, via specialist
drop-in centres, for young people who develop a dependency on Xanax. They should not be relying on existing addiction centres because adult drug and substance misuse services are not appropriate for young people. Children and young people's mental health services also need to be better resourced to cover this need. Thirdly, the Government should commission, carry out and publish research into the prevalence of Xanax use and its effects. We do not know how big this problem is nationally, yet we know that young people are attending local A&E units suffering from the effects of Xanax.

Those three actions will go some way to help to alleviate some of the immediate problems caused by Xanax. They will not help Zoe, who has been robbed of six months of her life with potentially life-changing consequences, but they may help others, and that is something that we should all be striving to do.

9.17 pm

The Parliamentary Under-Secretary of State for Health (Steve Brine): I congratulate the hon. Member for Enfield, Southgate (Bambos Charalambous) on securing this important debate on the misuse of Xanax. His telling of Zoe's story was an example of how we should bring some of our constituency casework to the Floor of the House, and I thought he did it very well. He has raised awareness of an issue that I do not think has previously been discussed in the House of Commons, so well done to him for that.

Last July, the Government published an ambitious new drug strategy. As the Home Secretary compellingly set out in her foreword, the harms caused by drug misuse are far-reaching and affect lives at almost every level. This includes crime committed to fuel drug dependence; the organised criminality, violence and exploitation that go hand in hand with production and supply; and, of course, the irreparable damage and loss to the families and individuals whose lives it destroys. As somebody who has young children, listening to Zoe's story filled me with horror about what could be to come, with the parent's sense of panic that we all know.

Concerns about the misuse of Xanax and its potential for harm have been very clearly expressed by the hon. Gentleman. I want to set out some of the facts. Xanax is an anti-anxiety drug in the benzodiazepine family, as he rightly said. It is similar to, but—I am told—20 times stronger than Valium, and it has a quicker, shorter-acting effect. It is not licensed for use in the UK and it is not prescribable on the national health service, but doctors can prescribe it privately and, as he said, it can of course be obtained from internet pharmacies or bought illicitly online.

In the United States Xanax is widely used to treat anxiety disorders, panic disorders and anxiety caused by depression. Its increased use in the UK is related in part to its use being associated with or written about by some celebrities—the hon. Gentleman and the hon. Member for Leeds North West (Alex Sobel) both mentioned Future and “Dr. K”. Rappers have great power and bring great pleasure to many, but they have a great responsibility in the position they hold. However, the hon. Member for Enfield, Southgate also rightly mentioned a rapper with whose work I am sure you are familiar, Madam Deputy Speaker: Lil Pump, who took that responsibility seriously and tweeted just after new year that he will not be taking Xanax in 2018. The cockpit of the nation, the House of Commons, might possibly have less impact on the behaviour of young people than what Lil Pump says on his Twitter feed.

There is a serious risk of harm from the misuse of Xanax. Its long-term use can lead to dependence and severe withdrawal symptoms if use is stopped suddenly. There have been reports in the UK of recreational misuse of Xanax among young people. The hon. Gentleman said that people have been bringing such reports to him since he secured the debate. They include accounts of hospitalisation of young people, particularly where they have combined use of the drug with drinking large amounts of alcohol. Young people’s substance misuse services have reported an increase in misuse of Xanax among the young people accessing their support services. There was a story in The Guardian about activity in Sussex on new year's eve.

Prescription-only medicines such as Xanax are, by their very nature, potent and should be prescribed—and indeed “unprescribed”—only by a doctor or appropriate healthcare professional. Prescribers can assess an individual's condition and medical history, consider possible risks associated with taking a particular medicine, and monitor recovery.

The regulation of human medicines in our country is the responsibility of the Medicines and Healthcare Regulatory Agency, for which I have ministerial responsibility in this House. The MHRA has identified an issue relating to the large-scale diversion of benzodiazepines and other hypnotics from the regulated supply chain to the criminal market. The latest information, which I obtained before coming to the House tonight, is that around 130 million tablets have been so diverted since January 2014. There is evidence of extensive criminality involving a number of businesses. The MHRA is working with regulatory and law enforcement colleagues, including the Home Office, the General Pharmaceutical Council and the Care Quality Commission, to identify how that has occurred, to prosecute those involved in criminal activity—rightly so—and to implement preventive measures.

Given the potential for harm presented by the misuse of prescription drugs, including Xanax, the MHRA is taking a range of measures to tackle the illegal online sale and supply of medicines, including public awareness campaigns to deter people from buying medicines from unregulated sources. In addition, the CQC will continue to monitor how controlled drugs are managed within health and care services as part of its inspection processes, taking account of the latest guidelines from the National Institute for Health and Care Excellence.

The hon. Gentleman talked about education. Patterns of drug use in the UK and beyond change over time, particularly amongst young people, where fashions move fast. Public Health England continually updates Frank, the Government's very successful drug information and advisory website, to reflect new and emerging patterns of drug use, but I think PHE would admit that it is constantly chasing the next fad. That work has included revising the benzodiazepine pages to raise awareness of the dangers of Xanax misuse, and the pages on Xanax are the top-visited and top-read news story on the home page right now, which tells its own story. The Frank service remains a key element in providing accurate factual advice on the risks and effects of a range of
drugs and alcohol, as well as broader advice around substance abuse, including signposting to relevant local services for young people.

As part of the Government’s updated drug strategy, Public Health England is supporting programmes that have a positive impact on young people and adults, giving them the confidence, resilience and risk-management skills to resist drug use in the first place, which must be our aim if we are to prevent constituents such as Zoe, whom the hon. Gentleman represents, from being in the situation she was put in.

The Government’s drug strategy makes it clear that we are committed to reducing both the number of young people using drugs and under-age drinking. A recent report published by NHS Digital found that in 2016 24% of pupils—11 to 15-year-olds—reported that they had taken drugs. That is compared with 15% in 2014. There has been progress, but there is clearly a long, long way to go.

That is why drug education is a statutory part of the new national curriculum for science at key stage 2 and key stage 3, and rightly so. Pupils should be taught about the effects of recreational drugs, including substance misuse, on their behaviour, their health and their life chances. Provision in this area can be further strengthened through personal, social and health and economic education, and I know that it is.

Launched in April 2013, ADEPIS, the Alcohol and Drug Education and Prevention Information Service—we do like our acronyms in the health service—is a drug and alcohol information and advice service for teachers and practitioners, providing accurate and up-to-date evidence-based information and resources for alcohol and drug education and prevention in schools. This service is delivered by Mentor UK.

Since the 2010 strategy was published, we have made progress. Drug use in England and Wales is lower than it was a decade ago. In 2016-17, 8.5% of adults had used a drug in the last year, compared with 10.1% of adults in 2006-07. More adults are leaving treatment successfully than in 2009-10, and the average waiting time to access treatment is just two days.

Obviously, funding decisions on drug and alcohol treatment budgets for adults and young people have been devolved to local authorities through the Health and Social Care Act 2012. We think local authorities are best placed to understand the support and treatment needs of their specific populations. Of course I recognise that there are concerns about funding and that there are pressures on local authority budgets, and authorities need to make difficult choices about how they spend their resources. This is why we are extending the ring-fenced public health grant until at least April 2019 and retaining the specific condition to improve drug and alcohol treatment uptake and outcomes as part of that.

While the intention remains to give local authorities more control over the money they raise, such as business rates, we are actively considering the options for 2019 onwards with my colleagues in the Department for Housing, Communities and Local Government. We remain committed to protecting and improving the outcomes from core services such as those dealing with substance misuse, and we will involve the key stakeholders I work with in discussions about how we achieve that.

While we have made strong progress in tackling the misuse of drugs, we are not complacent, and we know there is a huge amount more to do. There are new fashions being invented all the time. There are fundamental challenges, such as drug-related deaths, which we need to tackle, as well as newer issues, such as the misuse of Xanax, which the hon. Gentleman has raised so successfully in the House this evening. We will tackle those challenges with the full range of partners, who are essential to making the strategy a success and enabling us to maintain and build on what we have already achieved. I thank the hon. Gentleman for bringing the issue to the House this evening and especially for the way he has done so.

Question put and agreed to.

9.28 pm

House adjourned.
Oral Answers to Questions

**TREASURY**

The Chancellor of the Exchequer was asked—

**Marriage Allowance**

1. **Mr Ranil Jayawardena** (North East Hampshire) (Con): If he will make it his policy to increase the marriage allowance. [903290]

The Financial Secretary to the Treasury (Mel Stride): I congratulate my hon. Friend on all the hard work that he has put in to promote marriage and civil partnerships, and all the benefits thereof to families and wider society. I assure him that the design of the marriage allowance is such that it will indeed continue to rise as we raise the personal allowance, as we did in the recent Budget.

Mr Jayawardena: Given the £48 billion of costs to the Exchequer from family breakdown, will my hon. Friend meet me and a delegation to discuss how we can further strengthen marriage through the tax system and help people to keep more of what they earn?

Mel Stride: My hon. Friend is pushing in a direction in which we have already travelled. In the last Budget, we made provision for ensuring that those who have been married or in a civil partnership and have a deceased partner are able to claim the marriage allowance and backdate that claim some four years. I will, of course, be happy to meet him and his colleagues to discuss this matter further.

**Personal Incomes**

2. **Royston Smith** (Southampton, Itchen) (Con): What assessment he has made of the effect on average personal incomes of recent increases in the national minimum wage and national living wage. [903291]

The Chancellor of the Exchequer (Mr Philip Hammond): In April, the national living wage will rise to £7.83. That means an annual pay rise of over £2,000 for a full-time national living wage worker since the introduction in 2016 of the national living wage, which has helped reduce the proportion of full-time jobs that are low paid to the lowest level in at least 20 years.

Sustaining long-term pay growth relies on improving productivity. That is why we have increased the national productivity investment fund to over £31 billion, and it is why we are taking further action on skills, retraining and capital investment as we build a Britain fit for the future.

Royston Smith: Could the Chancellor tell the House whether income inequality has gone up or down since 2010? How does income inequality today compare with levels under the last Labour Government?

Mr Hammond: Income inequality is lower than it was in 2010. In fact, it remains lower than at any point under the last Labour Government. The Gini coefficient, which is an internationally recognised measure of income inequality, is now 3% lower than in 2010. Since my autumn statement in 2016, we have increased the tax contributions of the highest earners while those on the lowest incomes have gained overall.

Derek Twigg (Halton) (Lab): The problem is in constituencies like mine, which is one of the most deprived in the country, where more and more people are having to go to food banks. What is the Chancellor doing, in terms of the economic development of the country, to ensure that we get better-paid jobs, especially in places that are severely deprived such as Halton?

Mr Hammond: The hon. Gentleman makes an absolutely correct point. In the long run, higher wages can be delivered only through increased productivity. That means investment in infrastructure, investment in skills and training, and investment in research and development—with both public funding and tax incentives for private funding—and it means ensuring that capital is available for businesses to invest in the equipment that will raise the productivity of their workers. The Government’s ambition is for a high-wage, high-skill economy, and we are investing to deliver that.

Charlie Elphicke (Dover) (Ind): Will the Chancellor confirm that the lowest-paid have in fact seen a 7% real-terms wage increase since 2015, and that income inequality is now at its lowest level for 30 years?

Mr Hammond: My hon. Friend is right. As I said, income inequality is lower than at any point under the Labour Government. People in full-time work on the national living wage have seen a £2,000 a year pay increase as a result of the national living wage and, of course, everybody in work has seen an improvement in their take-home pay as a result of the significant increases in the personal allowance that this Government committed to, and which this Government are delivering.

Alison Thewliss (Glasgow Central) (SNP): The Chancellor’s living wage is a pretendy living wage and is not actually available to those under the age of 25. Can he explain why the age gap in the minimum wage between 25-year-olds and 16 and 17-year olds actually increased in his Budget from £3.45 to £3.63? How can this be an economy that works for everybody if the youngest are not getting paid equally?

Mr Hammond: The rates for people under 25 were increased in the Budget by the biggest amount ever—[Interruption.] Look, of course we would all like to see high rates of employment and high rates of pay across
all age groups in the economy, but for young people, the
most important thing—the Low Pay Commission highlights
this fact—is that they get into work, because if they are
in work when they are young, they are more likely to
remain in sustainable work throughout their lifetime,
and that must be the priority.

Air Passenger Duty

3. Sir Hugo Swire (East Devon) (Con): What recent
discussions he has had with the airline industry on air
passenger duty.

The Exchequer Secretary to the Treasury (Robert
Jenrick): Her Majesty’s Treasury regularly engages with
the airline industry on air passenger duty. At the autumn
Budget, we froze 2019-20 APD rates at 2018-19 levels
for all short-haul passengers and for long-haul economy
passengers. That provided a freeze for 95% of passengers.

Sir Hugo Swire: May I congratulate my hon. Friend
on his appointment? He has done extremely well.

Airlines such as Flybe, which is based at Exeter
airport in my constituency, undertake a disproportionate
number of domestic flights. As my hon. Friend will be
aware, domestic flights, unlike international ones, are
currently hit twice by APD—at both take-off and landing.
Treasury officials, of course, will tell a new Minister
that any change is impossible and hide behind EU rules,
but as we exit the EU, will my hon. Friend look at
addressing that anomaly?

Robert Jenrick: I am grateful to my right hon. Friend
for his kind remarks. I pay tribute to my predecessor,
Mr Andrew Jones, who was well regarded
across the House.

As my right hon. Friend says, the Government are
unable to exempt the return leg of a domestic flight. Of
course, as we leave the European Union that could
change, and the Treasury will keep the issue under
consideration. We certainly recognise the economic
significance of regional airports such as my right hon.
Friend’s in Exeter. For that reason, we have kept short-haul
rates frozen since 2012. In 2015, of course, we took the
significant step of exempting children.

Catherine McKinnell (Newcastle upon Tyne North)
(Lab): The Government’s own figures show that Newcastle
airport will be most affected by any cuts to air passenger
duty or air departure tax in Scotland. The continued
uncertainty about this issue is also incredibly damaging.
From his newly elevated position, will the Minister tell
us what progress has been made on the issue? Is he in a
position to confirm how English regional airports will
be protected from the effects of any cuts?

Robert Jenrick: The hon. Lady is right to raise this
issue, as Newcastle airport and others are very important
to the economy of the north-east. As she heard during
my response to the previous question, EU rules prevent
us from changing the rules regarding the return leg of a
domestic flight. We will keep the matter under consideration.
We have, of course, taken other important steps, such as
keeping the rates frozen and exempting children. It is
worth saying that air passenger duty raises more than
£3 billion a year, so it makes an important contribution
to public services.

Sammy Wilson (East Antrim) (DUP): There would
be substantial benefits from reducing or removing air
passenger duty, including GDP growth, job creation,
and an impact on trade, foreign direct investment and
tourism. The duty particularly distorts trade between
airports in Northern Ireland and the Irish Republic.
There was a commitment in the Budget to have a review
of air passenger duty. Will the Minister give us an
update on where that review is?

Robert Jenrick: I am grateful to my hon. Friend for
that question. As he knows, in the autumn statement we
committed to a review of not just air passenger duty,
but the impact of VAT on tourism in Northern Ireland.
That review is under way and will report back in time
for this year’s autumn Budget.

Inheritance Tax

4. Mr Jacob Rees-Mogg (North East Somerset) (Con):
If he will bring forward legislative proposals in respect
of the imposition of inheritance tax on direct personal
donations to campaign groups involved in referendums.

The Financial Secretary to the Treasury (Mel Stride):
My hon. Friend will know that the inheritance tax
exemption for donations to political parties does not
exist for donations to referendum campaigns. However,
my right hon. Friend the Chancellor and I have discussed
the issues that my hon. Friend has raised in previous
weeks, and we are sympathetic to looking carefully at
how the law may be changed for future referendum
campaigns.

Mr Rees-Mogg: In the past nine years, there have
been 23 retroactive tax changes where there has been
unfairness, error or unduly onerous taxation. When the
law was drafted in 1994, there was no idea that there
would be a succession of referendums. It is deeply
unfair that people who have contributed to the alternative
vote referendum, the referendum in Scotland and the
Brexit referendum may find very large tax bills winging
their way towards them, not least as Her Majesty’s
Government spent £8 million of taxpayers’ money willy-nilly
in the Brexit referendum.

Mel Stride: As a matter of principle, it is not the
position of Her Majesty’s Treasury to apply tax changes
retrospectively but, as I have indicated, my right hon.
Friend the Chancellor and I will be looking carefully at
the issues that my hon. Friend has raised.

Mr Iain Duncan Smith (Chingford and Woodford
Green) (Con): Pursuant to that question, may I add one
further caveat, given that Her Majesty’s Revenue and
Customs is beginning to look at all the other referendums
that have taken place? Will it take into consideration
those organisations that are not charities or political
parties, but which do public good? They are beginning
to be concerned that HMRC will pursue individuals
who have made donations to them. Will my right hon.
Friend take looking at that under his wing as well?
Mel Stride: My right hon. Friend raises an interesting point. He might like to make specific representations to me on the matters he has raised. Indeed, if he wishes to meet me to discuss them, I would be very happy to do so.

Government Borrowing

5. John Howell (Henley) (Con): What assessment he has made of potential risks to the economy from high levels of Government borrowing.

Mr Hammond: I am not aware of any direct exposure of Her Majesty’s Government as a creditor of Carillion, but I will check, write to the hon. Gentleman and place a copy of the letter in the Library of the House.

Neil Gray (Airdrie and Shotts) (SNP): Clearly there is an element of risk in not just Government borrowing but companies’ borrowing against the UK Government. Will the Chancellor advise the House on what exposure his Government have from lending to Carillion via the likes of UK Export Finance or George Osborne’s direct lending scheme?

Mr Hammond: I am not aware of any direct exposure of Her Majesty’s Government as a creditor of Carillion, but I will check, write to the hon. Gentleman and place a copy of the letter in the Library of the House.

Mr Philip Hollobone (Kettering) (Con): The Government have made good progress in cutting the deficit, but national debt as a percentage of GDP remains at a dangerously high level and will only start to fall next year—10 years after the crash. Will the Chancellor share with the House how our level of national debt to GDP compares with that of other major western economies?

Mr Hammond: My hon. Friend is right. Our level of debt is too high, and there is a reason why that matters. In response to the financial crisis in 2009, the then Government were able to allow debt to rise. If we had a similar crisis now—God forbid—we would be struggling to be able to do that, because debt is already very close to 90% of GDP. It is urgently necessary that we get our debt level down to create the headroom that will enable us to deal with any crisis that comes along in the future, whether internal or external.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): It is amazing that the Government should want to plant questions about high levels of borrowing, given that they have missed every single one of their deficit reduction targets, and let us not forget that this Conservative Government have borrowed more than any Labour Government in history. Under Labour’s fiscal rules, we would close the deficit on day-to-day spending over five years, but exclude investment spending from that figure. Given the huge challenges that the country faces in relation to productivity, infrastructure and skills—challenges that he has already mentioned—does the Chancellor not recognise that that is a prudent and sensible way forward?

Mr Hammond: No, and neither do the Opposition. That is why they have already recognised that their plans would deliver the run on the pound for which they are wargaming. I will take no lectures from a party that oversaw a 165% increase in debt, and is proposing to add a further £500 billion to our debt level just when the Government are delivering a reduction in debt.
Household Debt

6. Kate Green (Stretford and Urmston) (Lab): What recent assessment his Department has made of trends in the level of household debt since 2010. [903297]

The Economic Secretary to the Treasury (John Glen): The household debt-to-income ratio has fallen from 152% at the start of 2010 to 138% in the third quarter of 2017. It has remained significantly below its pre-crisis peak of 160% in the first quarter of 2008. I also note today’s report from the Institute for Fiscal Studies on the same subject.

Kate Green: I, too, have read the IFS report, which points out that debt is a real problem for a significant minority of low-income householders who are struggling to pay the bills and make debt repayments. Does the Minister accept that imposing a freeze on benefits when inflation is standing at 3% will make things even tougher for those families?

John Glen: The report also points out that the percentage of households with financial liabilities in the four lowest wealth quintiles fell between June 2010 and June 2014. The Government are fully committed to helping the poorest households, and just last year the Money Advice Service spent £49 million on giving 440,000 free-to-client sessions to assist those in difficulty.

Stephen Crabb (Preseli Pembrokeshire) (Con): The UK has the second highest level of household debt in the G8. On our high streets, loan sharks are masquerading as household goods stores. Does the Minister agree that we have a rather unhealthy addiction to consumer debt in this country?

John Glen: The report also points out that the percentage of households with financial liabilities in the four lowest wealth quintiles fell between June 2010 and June 2014. The Government are fully committed to helping the poorest households, and just last year the Money Advice Service spent £49 million on giving 440,000 free-to-client sessions to assist those in difficulty.

20. [903313] Toby Perkins (Chesterfield) (Lab): One trend that alarms me is the false advertising of consumer credit rates. Despite having a perfect credit rating, according to Experian, I was told that M&S Bank would not give me the advertised rate that was supposedly being offered to 51% of its customers. What is the Minister doing to ensure that the Financial Conduct Authority is robust in ensuring that advertised rates are made available to the majority of consumers?

John Glen: I am familiar with the hon. Gentleman’s situation and his correspondence with the Financial Conduct Authority. I believe that he has met FCA representatives. The FCA has strong powers to ban products. It has unlimited fines at its disposal and it can order repayments. As the hon. Gentleman knows, 51% of applicants for loans will receive the advertised rate, and those are the terms that the FCA works to.

Sir Desmond Swayne (New Forest West) (Con): When will incentives to save exceed those to borrow?

John Glen: Obviously I do not have a crystal ball, and as the economy grows, different patterns of behaviour will ensue. It is not for the Government to tell people what to do; we are trying to secure a growing economy in which people have the choice.

Kirsty Blackman (Aberdeen North) (SNP): Personal debt is the biggest worry for many people I meet. The figures released by the Institute for Fiscal Studies today show that a third of those on the lowest incomes are in net debt. This debt is persistent; it is a spiral that people get stuck in for years. What are the UK Government doing to improve the financial position of households with the lowest incomes?

John Glen: We recognise that on occasions people find themselves in challenging debt situations. That is why we committed in our manifesto to a six-week breathing space, and we will bring that legislation forward in due course in the Financial Guidance and Claims Bill.

Kirsty Blackman: Over a third of people aged under 45 live in households with financial wealth of less than zero. For too many people there is not enough money at the end of each month or each week. From next year individuals earning less than £26,000 in England will pay more income tax than they would if they lived in Scotland; how can the Minister justify that?

John Glen: The Government recognise the challenges facing those on lower salaries, which is why we have increased the tax-free allowance, have had the eighth successive fuel duty freeze, and have increased the national living wage above the inflation rate.

Robert Courts (Witney) (Con): Will the Minister confirm that the lowest paid have had a real-terms pay increase of 7% since 2015, showing that this Government’s policies are targeted to help the lowest paid?

John Glen: My hon. Friend is right. The Government do not take anything for granted and will look very closely at what is happening with the poorest in our society.

Anneliese Dodds (Oxford East) (Lab/Co-op): Does the Minister acknowledge that the reasons why a quarter of people on low incomes are currently experiencing significant problems with arrears or debt repayment include, first, his Government not taking on board Labour’s programme to rein in credit card debt and, secondly, the fact that their changes to the tax threshold have been outweighed for the poorest people by alterations to social security?

John Glen: The hon. Lady needs to acknowledge the transformation that the national living wage has brought to so many people and this Government’s willingness to increase it above inflation. It is also worth noting that interest payments as a proportion of income are currently at the lowest on record.

UK Internal Market

7. Chris Davies (Brecon and Radnorshire) (Con): What assessment he has made of the contribution of the UK internal market to the Scottish and Welsh economies. [903298]

The Chancellor of the Exchequer (Mr Philip Hammond): The UK internal market benefits all the nations of the UK. The Scottish Government’s own latest figures indicate
that 63% of Scotland’s exports are to the rest of the UK, compared with 16% that go to the EU, and for Wales it is 80% compared with 12%. Stakeholders across Wales and Scotland have made it clear that it is vital that we continue to support the smooth working of the UK internal market, and it is therefore essential that no new barriers to living and doing business in the UK are created as we leave the EU.

Chris Davies: I thank my right hon. Friend the Chancellor for his answer, and does he agree that leaving the UK single market would pose a far greater risk to the Welsh, Scottish and Northern Ireland economies than leaving the EU single market?

Mr Hammond: Yes, it is absolutely true that for both Scotland and Wales leaving the UK single market would be far more economically damaging than leaving the European single market, which prompts the question why the Scottish National party has advocated so strongly remaining in the European single market and also advocated so strongly breaking up the UK single market.

Mr Speaker: Order. I am not very interested in hearing that, which has nothing to do with Government policy, but I am interested in hearing Wes Streeting. I hope the Chancellor will take note: put very briefly, Chancellor, “Stick to your last—your business, not theirs.”

Wes Streeting (Ilford North) (Lab): Thank you, Mr Speaker; that is the nicest thing anyone is likely to say to me today.

The Chancellor rightly extols the benefits of the UK single market, but is not the rank hypocrisy of the Government exposed by listening to the comments of the chief executive of Airbus last night that leaving the European single market would be hugely damaging to the UK economy? We do not have to pick and choose: why will the Chancellor not put a jobs first Brexit at the heart of the Government Brexit strategy and commit to keeping us in the European single market?

Mr Hammond: The hon. Gentleman will know that I have been arguing for the last year for a jobs-first, prosperity-first Brexit, which means negotiating the closest possible relationship with the EU after we leave that union, and that is what we intend to do.

Ben Lake (Ceredigion) (PC): The contribution of the UK internal market is of course important to the economy of Wales. Under Westminster rule, the economy of London and the south-east of England has steamed ahead while Wales remains one of the poorest nations in western Europe. Will the Chancellor commit to ending this rank inequality by rebalancing the UK internal market to ensure that it is not based on a set of Westminster diktats but is instead a partnership of the four nations of the UK?

Mr Hammond: Yes, we have identified regional disparity as one of the drivers of low productivity in the UK. Raising the productivity performance, particularly that of our great cities outside London, is key to raising UK’s performance overall.

Public Spending: Wales


The Exchequer Secretary to the Treasury (Robert Jenrick): Decisions announced by the Chancellor in the autumn Budget resulted in an increase of £1.2 billion to the Welsh Government's budget. For the first time, this included more than £65 million thanks to the new Barnett boost agreed with the Welsh Government’s fiscal framework. This ensures that the Welsh Government’s block grant will increase in real terms over the spending review period.

Jonathan Edwards: The headline-grabbing announcement in the Budget was the alleged £1.2 billion uplift to the Welsh public finances, which the Minister has just repeated in his answer. It was an example of financial trickery best suited to the Foreign Secretary’s big red buses. Is it not the case that more than half that money will be in the form of repayable loans—in other words, financial transactions?

Robert Jenrick: I do not agree with the hon. Gentleman’s analysis or with his slightly cavalier attitude to £650 million of taxpayers’ money. This money is at the disposal of the Welsh Government and can be used for important things such as helping to support businesses and helping people to get on to the property ladder through Help to Buy.

Michael Fabricant (Lichfield) (Con): What progress is being made on creating jobs and reducing unemployment.

The Chief Secretary to the Treasury (Elizabeth Truss): The unemployment rate is now the lowest since 1975, and 3 million more people are in jobs than in 2010. What that means is that they have the ability to use their talents to support their families and to get on in life.
Mr Seely: Will my right hon. Friend and the Treasury team work with me and the Isle of Wight Council to explore how the Island could benefit from a Treasury-supported enterprise zone in the Medina valley or from other regeneration policies that would help to drive the jobs and wealth creation agenda on the Isle of Wight?

Elizabeth Truss: My hon. Friend has done a fantastic job of championing the Isle of Wight since 2010, and we have seen a 55% reduction in unemployment on the Island. There are many issues that we need to address to ensure that the economy on the Island is competitive and dynamic. The Isle of Wight ferry is a vital service, and we need to ensure that the Competition and Markets Authority has the tools to deal with that. I would be very happy to meet my hon. Friend to talk about what more we can do to boost the Isle of Wight.

Michael Tomlinson: I am the chairman of the all-party parliamentary group for youth employment, and each month we track the jobs figures. Will my right hon. Friend update the House on the impact of this very welcome job creation on poverty levels and welfare dependency since 2010?

Elizabeth Truss: I congratulate my hon. Friend on his work. Since 2010, we have seen a 40% reduction in youth unemployment. Let us compare that with what happened under the Labour Government when, during an economic boom, youth unemployment rose and those young people were left on the scrapheap rather than joining apprenticeships and getting the training opportunities that they have under this Government.

Mrs Emma Lewell-Buck (South Shields) (Lab): Here is a reality check for the Minister. Limited well-paid jobs and record levels of in-work poverty coupled with this Government’s unflinching assault on the welfare safety net have contributed to the United Nations estimating that 8 million households in the UK are food insecure. My cost-neutral household Food Security Bill will robustly measure these factors and lead to policy development that will eradicate hunger. Why will her Government not back it?

Elizabeth Truss: I am surprised that the hon. Lady is not interested in the news we heard earlier, which is that those on the lowest incomes have seen a 7% real-terms pay rise since 2015, enabling them to support their families.

Mr Gregory Campbell (East Londonderry) (DUP): Does the Chief Secretary agree that one of the best ways of creating employment is to simplify tax structures to help small and medium-sized enterprises to create employment right across the United Kingdom?

Elizabeth Truss: The hon. Gentleman is absolutely right. This Government have cut red tape and taxes. We have cut basic rate tax by £1,000 for working people, which has encouraged more people to get jobs and more companies to take people on. That is why we are seeing economic success.

Martin Vickers (Cleethorpes) (Con): Transport for the North has today published its strategic plan, which forecasts 850,000 new jobs if the plan is delivered. Although the document is disappointing for Cleethorpes and northern Lincolnshire, broadly speaking more investment in transport in the north will provide those jobs. Will the Minister give an assurance that resources will be made available to deliver the plan?

Elizabeth Truss: I am pleased to say that we are investing a record amount in economic infrastructure, and the Institute for Fiscal Studies said that such investment would be at a 40-year high by the end of this Parliament. We are giving money to improve transport in towns and cities, allocating £1.7 billion for that purpose at the Budget.

John McDonnell (Hayes and Harlington) (Lab): Thousands of Carillion workers will turn up to work tomorrow unsure whether they have a job, and they may not appreciate Conservative boasts about employment today. The workers face cuts to their pensions, and hundreds of small firms along the supply chain are also uncertain about their futures. The traditional role of the Treasury is to protect our public finances, so will the Minister explain to the House what involvement the Treasury had in the billions of pounds of contracts held by Carillion at the time of its liquidation? We know that Treasury approval is required for PFI contracts, so will she tell the House how many PFI and PF2 contracts were signed by the Treasury during the current Chancellor’s time in office? What will happen to those projects and to the staff working on them? When there were loud and clear worrying signs about Carillion, why did Treasury Ministers, instead of intervening, collude in the strategy of drip-feeding more contracts to Carillion to buoy up an obviously failing company?

Elizabeth Truss: What has happened at Carillion is regrettable, which is why we are ensuring that the people employed by Carillion have support from jobcentres and why our No. 1 priority is ensuring that we continue to supply public services. However, it would be completely wrong for a company that got itself in such a state to be bailed out by the state, and we are not doing that. We are making sure that we continue to supply public services at the same time as helping the people who work for the company.

If we look at the record of contracting, a third of those contracts were signed under the previous Labour Government, and one of the most recent contracts was signed by the Labour-led Leeds City Council. The fact is that we have £60 billion of contracts with private sector companies that deliver public services across this country, which is an important way of delivering our public services. When there is an issue, as we have had with Carillion, we have made the preparations, and we are sorting out the situation.

John McDonnell: We are asking questions about when it was obvious that this company was failing and what the Treasury’s role was. I put it no stronger than this: at this stage, there are real suspicions that the Government were too close to the company and too wedded to its privatisation role. We need full transparency on the meetings and discussions that took place between Ministers, civil servants and representatives of Carillion. What warnings were given to Ministers and what action was recommended, whether it was implemented or not? We need the Treasury to start playing its proper role and to
provide an independent assessment of the potential costs and risks facing the taxpayer. As has already been mentioned, a Cabinet Office minute was published after the statement yesterday that established a contingent liability. We urgently need to know from the Treasury about the potential range of costs now facing the taxpayer.

Elizabeth Truss: We already publish all those minutes and details of meetings. We are a transparent Government, and we make decisions in an objective fashion. Those decisions are signed off by the Treasury, and they are signed off by the Cabinet Office. Recent decisions on Carillion contracts have been made on the basis of joint and several liability to make sure the taxpayer is protected. We always look for value for money in the way we set up our contracts. The Government are dealing with this in a responsible and measured way, rather than making cheap political shots at a time when people’s jobs are in question and when we are working to sort that out.

Education Investment

11. Rachel Maclean (Redditch) (Con): What discussions he has had with the Secretary of State for Education on the effect of Government investment in education on pupil outcomes since 2010. [903303]

The Chief Secretary to the Treasury (Elizabeth Truss): We are investing a record £41 billion in our schools this year. For the first time ever, we are putting in place a fair national funding formula. We are seeing standards rising. In the recent Progress in International Reading Literacy Study, we saw England gain its highest ever score in reading.

Rachel Maclean: Thanks to the incredible hard work of staff, children and parents in Redditch, 92% of our secondary schools are currently rated outstanding. Receiving a great education in maths is critical to equipping our children in Redditch for future jobs in the economy. What financial support is the Treasury giving to enable our children in Redditch to have that education?

Elizabeth Truss: My hon. Friend is absolutely right that maths is vital for the future of our economy. We know there is huge demand for people with science, technology, engineering and maths skills, which is why at the Budget we allocated a £600 maths premium that schools will receive for every student who does maths from age 16 to 18.

Corporate Tax Evasion

13. Nigel Mills (Amber Valley) (Con): What progress he has made on reducing the level of corporate tax evasion and the tax gap. [903305]

The Financial Secretary to the Treasury (Mel Stride): The Government have an outstanding record on clamping down on tax avoidance, evasion and non-compliance. We have brought in and protected £160 billion since 2010, and no less than £8 billion in 2016-17 alone from the UK’s largest companies. Currently at 6%, the tax gap is one of the lowest in the world, and lower than any year during the last Labour Government.

Nigel Mills: Does the Minister agree that an international approach is needed to really tackle tax evasion by big multinational companies? Will he therefore say whether the interesting ideas on which he has consulted since the Budget have found favour in his discussions with the OECD and may be adopted on a more international basis?

Mel Stride: As my hon. Friend will know, we are right at the forefront of the OECD’s base erosion and profit shifting project, and of the common reporting standards that are being rolled out at the moment. We have taken further measures in the Budget to consult on the taxation of digitally based companies, particularly in respect of withholding tax on royalties going to zero-tax or low-tax jurisdictions. That consultation will report back in February, and we will take an appropriate decision thereafter.

Emma Reynolds (Wolverhampton North East) (Lab): It is embarrassing for the Government that Carillion’s chairman is an adviser to the Prime Minister on corporate responsibility. Given the level of salaries and bonuses awarded to senior management at Carillion, as well as improving the response to corporate tax evasion what will the Government do to ensure better corporate governance in UK companies?

Mel Stride: I say gently to the hon. Lady that she needs to check her facts, because the current head of Carillion is not an adviser to the Prime Minister. There was an appointment earlier that was terminated some months ago. As to her general points about corporate governance, this country has among the most robust corporate governance in the world, which is something this Government will continue.

Leaving the EEA

14. Stephen Kinnock (Aberavon) (Lab): What assessment his Department has made of the effect of the UK leaving the European economic area on the economy and the service industry. [903306]

The Economic Secretary to the Treasury (John Glen): The Government have undertaken a significant amount of work to assess the economic impacts of leaving the EU, and that is part of our continuing programme of rigorous and extensive analytical work on a range of scenarios. The Government are committed to keeping Parliament informed, provided that doing so would not risk damaging our negotiating position.

Stephen Kinnock: The Chancellor has said that he wants a jobs-first Brexit. Given that 80% of the British economy is in the services sector, and given that the EEA-based model of Brexit is the only one that gives maximum access for our services industries, does the Minister agree that an EEA-based Brexit is the only viable option for our country?

John Glen: What we can agree is that the Government are united in working to secure the best and most ambitious Brexit deal. That will mean a bespoke deal that will not damage the long-term interests of the economy.
Nicky Morgan (Loughborough) (Con): First, I welcome the Minister to his place in the Treasury. I am sure he will do an excellent job.

Is it not impossible to assess the impact of leaving, whether we are talking about the European economic area or the European Union, without knowing where we are headed? It is time for the Government to be clear about the end state of negotiations on financial services. I would like to see them publishing a position paper on financial services, particularly one informed by the meeting between the Prime Minister and the Chancellor last week.

John Glen: I am extremely grateful to my right hon. Friend, the Chair of the Select Committee, for that. I am aware of her previous exchanges with the Chancellor, who has undertaken to look at this issue. I will be working with him and we will respond in due course.

Alison McGovern (Wirral South) (Lab): Academic assessments by the Treasury are crucial, but my constituents are reeling from hundreds of job losses at Vauxhall. Last night’s comments by the chief executive officer of Airbus that whatever Brexit we have will be net negative means we are talking again about hundreds of my constituents’ jobs on the line. I plead with the Minister to take this seriously, keep us in the single market and customs union, and keep my constituents in their jobs.

John Glen: I assure the hon. Lady that I take this very seriously, and the Government’s intention certainly is to negotiate a deep and special partnership on economic and security matters. There is room for positivity; if we look at what GSK, Google and Apple have said, we see that that attitude of positivity and optimism as we look forward is necessary.

Andrea Jenkyns (Morley and Outwood) (Con): Does my hon. Friend agree that since deciding to leave the EU this Government have overseen record jobs, with my hon. Friend, the Chair of the Select Committee, for that. I assure the hon. Lady that I take this very seriously, and the Government’s intention certainly is to negotiate a deep and special partnership on economic and security matters. There is room for positivity; if we look at what GSK, Google and Apple have said, we see that that attitude of positivity and optimism as we look forward is necessary.

Stephanie Metcalfe: Does my right hon. Friend agree that lowering business taxes, as this Government have done, is not a race to the bottom but is vital in building and maintaining the strong economy on which we all depend?

Mr Hammond: Yes, I agree with my hon. Friend. Keeping business taxes competitive so that we can attract international investment to this country is essential, but there is a quid pro quo: if taxes are low, they must be paid. We are determined to ensure full compliance and to lead in international forums in looking at ways of improving corporate tax compliance.

Peter Dowd (Bootle) (Lab): The NHS is in crisis due to the tight-fisted approach the Chancellor takes to the public finances—unless a big corporation, a railway company or a failing construction firm needs a handout or a bail-out. During any discussions he has had with the Health Secretary, has he raised the issue of the funding crisis? If so, what solution has he arrived at to fund it properly, or will he be sending in the receiver?

Mr Hammond: The hon. Gentleman may not have noticed but we have put an extra £6 billion into the NHS. The first two weeks of the year are traditionally the highest pressure weeks in the NHS, and we have seen extreme pressure over the past two weeks. He may also not have noticed that we have a flu crisis going on, which inevitably takes its toll. In an ethnically based health service, we treat the sickest patients first, and it is right that we prioritise those with urgent needs over those with routine needs in our hospitals.

Peter Dowd: That was an insouciant attitude, if ever there was one. The Chancellor’s local media report that the A&E department in St Peter’s Hospital in Chertsey in his constituency had the highest number of 12-hour waits for patients in Surrey at the start of last year. What imaginative explanation does he have for his constituents, if not the whole House, as to why they, like many others, have to wait for so long to get emergency treatment? I ask again: what substantive funding will he provide to the NHS?

Mr Hammond: The answer to that is the £6 billion of additional money that we put in at the Budget. I am glad that the hon. Gentleman raised St Peter’s Hospital in my constituency, because that gives me the opportunity to make an important point. As other Members will know, whatever the media say about the NHS in general, when one speaks to one’s own constituents about their experience in their local hospital, it is invariably good and they invariably have nothing but praise for the service that they receive from our excellent national health service.

The Chancellor of the Exchequer (Mr Philip Hammond): My principal responsibility is to ensure the stability and prosperity of the economy, which means building on the ambitious steps laid out in the autumn Budget to tackle the key challenges we face so that we can create an economy fit for the future. I look forward to doing so, ably supported by my excellent ministerial team. Our balanced approach to the public finances enables us to give households and businesses support in the near term, and to invest in the future of this country, while also being fair to the next generation by reducing a national debt that remains too large.
when last year the Department for Digital, Culture, Media and Sport gave grants of more than £140 million in that respect. On VAT relief for repairs to historic buildings, the situation that currently pertains to EU regulations is that if we were to make changes or reductions, we would have to apply them to all buildings in the UK, at onerous cost, but that is something we can look into as and when we leave the EU.

Mel Stride: As the hon. Lady will know, we have committed to zero-rate tampons at the earliest opportunity. Will the Minister look again at bodies to pay for people who do not think we should give a quarter of a million pounds to an organisation, which is exactly what we are providing to women’s charities an amount equivalent to our membership of the EU. She will also know that we are providing to women’s charities an amount equivalent to what we raise through taxing tampons.

Nigel Huddleston (Mid Worcestershire) (Con): The Chancellor will be aware that Government debt per household is around £65,000. Another name for that debt is deferred taxation. Does the Chancellor agree that the best way to increase tax revenue and reduce our debt is deferred taxation. Does the Chancellor agree that the best way to increase tax revenue and reduce our debt is to grow the economy, which is exactly what we are doing?

Mr Hammond: Yes. There are two ways to get our debt falling as a percentage of GDP. By far the easiest way, and the most agreeable way for our constituents, is to grow the economy so that the denominator shrinks.

T2. [093316] Paula Sherriff (Dewsbury) (Lab): The tampon tax fund gave a quarter of a million pounds to an anti-abortion group, so we are being taxed on our bodies to pay for people who do not think we should have control over them. Will the Minister look again at setting aside much needed funds to tackle period poverty instead?

Mr Hammond: As my hon. Friend knows, we are seeking a bespoke vehicle for a deep and special partnership, and we are certainly prepared to look into any constructive suggestion from any part of the House.

T4. [093319] Peter Kyle (Hove) (Lab): Last night, the chief executive of Airbus said that every Brexit scenario that is currently on the table will weaken British industry. Is the Chancellor listening?

Mr Hammond: Yes. We engage frequently with industry, and our No. 1 priority is obviously to ensure that we protect the UK economy as we exit the EU. In fact, as a manufacturer of aviation equipment, which has a zero EU tariff, Airbus should be relatively minimally affected. Nevertheless, I think the company’s particular concern is about the ability to bring EU nationals into the UK to work, and we have assured it that we will make sure that high-skilled individuals can continue to come.

John Stevenson (Carlisle) (Con): I appreciate that the next stages of the negotiations with Europe are about to start, and what we want to see is a good deal for industry, business and the service sector. Does the Chancellor agree that membership of the European Free Trade Association could offer that opportunity for us?

Mr Hammond: Membership of the European economic area, which EFTA would entail, involves under current rules compliance with the four freedoms, and that means free movement of people, which the British people rejected in the referendum in 2016.

T5. [093320] Tony Lloyd (Rochdale) (Lab): With Carillion now the poster child for dodgy market capitalism, what duty does the Treasury owe to the wider public to prevent Government spending Ministers from engaging in inappropriate contracts, and what steps did the Treasury take?

The Chief Secretary to the Treasury (Elizabeth Truss): We have very clear rules about managing public money. Let me point out to the hon. Gentleman that we are not bailing out this company. It has gone into liquidation, and we are taking the proper steps to protect public services, which is the right approach to take.

Alex Chalk (Cheltenham) (Con): Since 2010, unemployment in Cheltenham has fallen to just over 1%. Does my right hon. Friend agree that, to secure that jobs pipeline, the Government are right to continue backing Cheltenham’s GCHQ-supported cyber-innovation centre, which is creating opportunities for my constituents?

Elizabeth Truss: I completely agree with my hon. Friend. I am shortly due to visit the centre in Cheltenham and I look forward to seeing him there.

T6. [093321] Mohammad Yasin (Bedford) (Lab): The East of England Ambulance Service experienced its busiest ever Christmas, and it had to rely on taxis to take patients to the hospitals. At least one patient died while waiting for an ambulance. How much worse does it have to get before this Government can meet the funding needed by the East of England Ambulance Service so that it can operate safely and efficiently?
Elizabeth Truss: It is important to note that we have 2.9 million more people visiting A&E than we had in 2010. That is why, as well as making sure that we are putting in place a proper modernisation of the health service, we are also investing more money, and we allocated £6.3 billion more at the Budget.

Nicky Morgan (Loughborough) (Con): There are many small and medium-sized enterprises in the Carillion supply chain, as both contractors and direct suppliers. What discussions will the Government have with Her Majesty's Revenue and Customs and other businesses to make sure that these companies are able to continue to pay the tax liabilities and their employees?

Mr Hammond: HMRC already has a scheme that can assist companies that are having cash-flow difficulties in meeting tax liabilities. We agreed last night that HMRC will specifically signpost, via the Carillion-specific websites that are operating, that that facility exists.

Afzal Khan (Manchester, Gorton) (Lab): Greater Manchester police has faced eight years of real-terms cuts and has lost 2,000 officers. Week after week, constituents come to my surgery in deep distress over antisocial behaviour, muggings and burglaries to which the police cannot attend. As a former police officer myself, I know that they are doing the best that they can. Will the Minister commit to giving more funding for Greater Manchester police?

Elizabeth Truss: The hon. Gentleman will have noticed that, in the draft local government settlement, we have given police authorities the power to raise additional precept to be able to deal with those issues. Ultimately, it is a decision for Greater Manchester police.

Neil O'Brien (Harborough) (Con): The current funding formula for local government is opaque, historical and disadvantages Leicestershire. Does the Minister agree that it would be attractive to move to a transparent formula based on the real drivers of costs?

Mr Hammond: As my hon. Friend knows, the Government are committed to introducing a fair funding formula, and my right hon. Friend, the Secretary of State, has committed to move forward with that programme this year.

Dr Philippa Whitford (Central Ayrshire) (SNP): Yesterday saw the successful Second Reading of the Space Industry Bill, which could see Prestwick in my constituency become the UK’s first spaceport, but the Ayrshire growth deal is central to ensuring the widest economic impact from that development. The three local authorities and the Scottish Government are backing it, so will the Chancellor now commit to the Ayrshire growth deal?

Elizabeth Truss: I can assure the hon. Lady that I am in regular discussions with the Secretary of State for Scotland about the growth deals across Scotland. We have already committed to a number of growth deals and are certainly looking at further ones.

Mr Speaker: We are very time constrained today. One sentence—Alex Burghart.

Alex Burghart (Brentwood and Ongar) (Con): Will the Minister welcome the fact that UK manufacturing is at an eight-year high?

Mr Hammond: Yes.

Vernon Coaker (Gedling) (Lab): Councils such as Gedling Borough Council and Nottinghamshire County Council are setting their budgets now, and they face a funding crisis. What are the Government going to do about it?

Elizabeth Truss: We have given councils the power to raise more funds in the draft local government finance settlement, but councils also need to look at how they can become more efficient, share back offices and use modern technology.

Tom Pursglove (Corby) (Con): Unemployment in my constituency is down by over 50%, but will my right hon. Friend consider a new round of enterprise zone bidding opportunities to help further that success story?

Mr Hammond: We will give consideration to my hon. Friend’s suggestion.

Hilary Benn (Leeds Central) (Lab): Will the Chancellor clarify whether the terms of the public sector private finance initiative contracts with Carillion allow for those contracts to be sold on to other private companies in the event of liquidation?

Mr Hammond: My understanding is that the contracts that are strictly PFI contracts are actually in joint ventures. In that case, it is most likely that the joint venture partner will take over. There are outsourcing contracts that, in theory, could be sold on, but as the Government Department, as the contracting party, will invariably have a right to cancel the contract on the insolvency of the company, in practice it will not be able to be sold on by the official receiver without the agreement of the contracting Department.
I am sure that I need not recap the tragic events that have led to this moment, but I believe it necessary in order to put the Bill in context and to grasp the gravity of Chagossian history. It was almost half a century ago that then Prime Minister Harold Wilson gave an Order in Council to remove the inhabitants of the British Indian Ocean Territory so that a UK-US military base could be established on the strategic main island of Diego Garcia. In the years that followed, a community that had lived peacefully found itself exiled and ignored with scant regard for its rights or wellbeing. We cannot change history, but we can support those removed from their homeland and their descendants who are not covered by the existing law and protections that, as Britons, they should enjoy.

The legislation currently assumes that just one generation of Chagossians will be born in exile and, although many members of the community born in exile have received British citizenship, their children have not. As such, when these families have come to the UK, as is their right, their children have been treated as immigrants like any others by the Home Office. Therefore, they are subject to the usual financial costs and administrative implications. At this time, we can ease the burden. We agree with the salience of such values forming a vital part of our foreign policy. However, the treatment of the Chagossian people by successive British Governments remains a shameful aspect of our past and, indeed, the present.

I continue to support the right of return of the Chagossian people. That would likely be a staggered process. I am in no way convinced by the Foreign and Commonwealth Office’s objection to the pilot resettlement. In 2016, the Government announced that, rather than a right of return, there would be a support package of £40 million delivered over a 10-year period to go to the Chagossian community in Crawley, elsewhere in the United Kingdom, and in Mauritius and the Seychelles, where most were exiled to. The Foreign and Commonwealth Office is continuing to engage with local authorities, including my own, with regard to that assistance. There is a real importance to ensuring that that support goes as far as it can and leaves a long-standing mark for the benefit of those who were exiled and their descendants.

This is an issue I have continued to raise on behalf of my constituents. As a result, I have received an apology from the Minister for Europe and the Americas for the UK’s historical treatment of the Chagossian people. I have also welcomed to 10 Downing Street constituents who have organised petitions in support of this community.

It is easy to talk about what happened half a century ago, to speak of a £40 million package, or to talk about justice for the Chagossian community, but behind each of these subjects is the knowledge that we are talking about people, a number of whom are here in Westminster today, and many more will be watching across the country and, indeed, around the world. On previous occasions when this issue has been debated in Parliament, there has been a strong Chagossian contingent watching in the Public Gallery, and I am pleased to see that we are again joined by members of the community. Their dignity and dedication in campaigning to have back what was taken from them is an inspiration. This community is at the forefront of our thoughts today.

I want to praise the Government’s wider work in the field of human rights—in particular, the Foreign and Commonwealth Office’s four main priorities of tackling modern slavery; defending freedom of religion or belief and freedom of expression; ending inequality and discrimination; and promoting democracy. The work of the Foreign and Commonwealth Office, spearheaded by my right hon. Friends the Prime Minister and the Foreign Secretary, is vital and deserves our support.

I mentioned earlier the all-party parliamentary group, of which I am vice-chair. I pay tribute to the group’s chairman, my hon. Friend the Member for Romford (Andrew Rosindell), who has with steadfast vigour stood up for the rights of the Chagossian people. I am not questioning the issue of UK sovereignty over the British Indian Ocean Territory. Indeed, I am grateful to the Foreign Secretary for his continued defence of UK sovereignty over this territory.
Around the world, our great nation is known for its values, including the traditional sense of British fair play. I am a patriot and I love my country. We do have a proud history and, I believe, a bright future. But our nation’s treatment of the Chagossian people is a blight on our country’s conscience—one that we can start to put right by helping these Britons all to become British overseas territories citizens. I commend the Bill to the House.

Question put and agreed to.
Ordered,
That Henry Smith, Andrew Rosindell, Catherine West, Martyn Day, Mike Kane, Sir Henry Bellingham, Kate Hoey, Caroline Lucas, Patrick Grady, Jim Shannon, Stephen Lloyd and Hywel Williams present the Bill.

Henry Smith accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 March and to be printed (Bill 150).

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European Union (Withdrawal) Bill:
(Preparation) (No. 2)

Motion made, and Question proposed,
That the Order of 11 September 2017 (European Union (Withdrawal) Bill (Programme)) be varied as follows:
1. Paragraphs 5 to 7 of the Order shall be omitted.
2. Proceedings on Consideration and up to and including Third Reading shall be taken in two days in accordance with the following provisions of this Order.
3. Proceedings on Consideration shall be taken in the order shown in the first column of the following Table and (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

<table>
<thead>
<tr>
<th>Proceedings</th>
<th>Time for conclusion of proceedings</th>
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<tr>
<td>Amendments to Clauses 1 to 5; amendments to Schedule 1; amendments to Clause 6; new Clauses and new Schedules relating to any of Clauses 1 to 6 or Schedule 1</td>
<td>4.00pm on the first day.</td>
</tr>
<tr>
<td>Amendments to Clause 10; amendments to Schedule 2; amendments to Clause 11; amendments to Schedule 3; new Clauses and new Schedules relating to Clause 10 or 11 or Schedule 2 or 3</td>
<td>7.00pm on the first day.</td>
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<tr>
<td>Remaining proceedings on Consideration</td>
<td>4.30pm on the second day.</td>
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4. Any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion at 4.30pm on the second day.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7.00pm on the second day.—(Mr Baker.)

12.40 pm

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I just want to ensure that we do not simply pass the motion—I know it is a narrow procedural point—about the amount of time that the House will dedicate to debating the myriad issues covered in the European Union (Withdrawal) Bill. The Committee stage was limited to only eight days. Noble Lords in the other place will have noted that on many occasions lots of amendments that had been tabled could not be fully debated. The view of the House could not be taken on some of them. We are not talking about frivolous amendments. The Government were defeated on some amendments, and they may well be defeated again—who knows?—on another occasion.

There are concerns that there may not be sufficient time on Report to air many very important issues. The usual channels will have talked about the nature of the programme motion. I see that today very much focuses on the questions that are of concern to the Government, where they want to make a concession, or focus on particular areas, but many Members feel that there are other important questions. Those questions include the customs union and the single market, whether we can reach a full trade deal in time, before falling over the cliff in March 2019, and whether there are choices and options available for the British people, other than the very narrow red lines set out by the Government in their policy. I am worried that the programme motion means
we will only have a certain amount of time tomorrow—up to 4.30 pm—for the debate on a very wide range of questions.

I do not want to delay the proceedings because that would obviously go against the point I am making, but this needs to be put on the record so that those in the other place can see that there are concerns in this House of Commons about our not having had sufficient time to debate and fully to consider the full range of issues. I hope that the other place will be able to do justice to the Bill and to such other questions.

Mr Speaker: I am grateful to the hon. Gentleman, and I shall do my best in the Chair to facilitate full debate and such votes as there is an appetite to have.

Mr Kenneth Clarke (Rushcliffe) (Con): On a point of order, Mr Speaker. I voted against the timetable motion, and I support what the hon. Member for Nottingham East (Mr Leslie) has said. Tomorrow is particularly crowded: it is probably the worst day we have had so far, with very limited time for debate on a large number of amendments, and of course Third Reading to follow. Will you confirm that it is still possible—we are not bound by a timetable motion throughout—for the Government, before tomorrow, to produce a motion at the precise time at which we will do so if we continue as we are at the moment.

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 4, in clause 5, page 3, line 23, leave out subsections (4) and (5) and insert—

“(4) Notwithstanding subsection (5), the Charter of Fundamental Rights continues to apply to retained EU law after exit day save as set out in subsections (5) and (5A) below and all references in the Charter to “the law of the Union” shall be deleted and replaced with “retained EU law”.

(5) The following provisions of the Charter shall not apply after exit day—

(a) the Preamble, and
(b) Title V.

(5A) Article 47 of the Charter shall apply after exit day as if it was drafted as follows—

“Right to a fair trial

“Everyone whose rights and freedoms guaranteed by retained EU law are violated is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal previously established by law. Everyone shall have the possibility of being advised, defended and represented.

“Legal aid shall be made available to those who lack sufficient resources insofar as such aid is necessary to ensure effective access to justice.”

(B) With effect from exit day EU retained law, so far as it is possible to do so, must be interpreted consistently with the Charter.

(C) With effect from exit day decisions, judgments, advisory opinions of the Court of Justice of the European Union must be taken into account when determining cases under the Charter.

(D) With effect from exit day in relation to the rights conferred by the Charter with respect to retained EU law—

(a) section 4 of the Human Rights Act 1998 shall apply and the words “a Convention right” shall be replaced by “a Charter right” and all references to “primary legislation” shall be replaced by “retained EU law”,
(b) section 5 of the Human Rights Act 1998 shall apply,
(c) section 12 of the Human Rights Act 1998 shall apply and the words “the Convention right to freedom of expression” shall be replaced by “the Charter right to freedom of expression and information”, and
(d) section 13 of the Human Rights Act 1998 shall apply and the words “the Convention right to freedom of thought, conscience and religion” shall be replaced by “the Charter right to freedom of thought, conscience and religion”.

(E) With effect from exit day, any derogation or reservation made under sections 14 or 15 of the Human Rights Act 1998 shall apply to rights under the Charter in the same manner as they apply to Convention rights.
This amendment would require the Government and the devolved administrations to pay due regard to the welfare requirements of animals as sentient beings when formulating law and policy so that the obligation on the Government and the devolved administrations to pay regard to the welfare requirements of animals as sentient beings as set out in Article 13 of Title II of the Lisbon Treaty, shall be recognised contained within the EU Protocol on animal sentience as set out in Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union dated 8 December 2017.

This amendment would ensure that UK Courts and Tribunals could refer matters to the CJEU as agreed between the EU/UK negotiators in December 2017.

Amendment 55, page 3, line 36, at end insert—

“(1A) So far as it is possible to do so, retained EU law must be read and given effect in a way which allows it to operate effectively.”

This amendment (linked with Amendment 56) borrows language from the Human Rights Act 1998 to require courts and tribunals to interpret retained EU law, so far as possible, in order to overcome deficiencies in the operation of retained EU law which have not been dealt with using powers under clause 7.

Amendment 42, in clause 6, page 3, line 36, at end insert

“other than a matter referred to in paragraph 38 of the joint report from the negotiators of the European Union and the United Kingdom Government on progress during phase 1 of the negotiations under Article 50 TEU on the United Kingdom’s orderly withdrawal from the European Union dated 8 December 2017.”

This amendment would provide greater legal certainty by classifying retained EU law as either primary or secondary legislation.

This new clause would ensure that the rights of equality presently enjoyed in accordance with EU law are enshrined in free-standing domestic law after the UK leaves the EU.

(b) whereby the right arose in the context of the United Kingdom’s membership of the European Union and Anguilla’s status as a territory for whose external relations the United Kingdom is responsible.

(5) Nothing in this section prevents the use of the powers conferred by this Act to the extent that acquired rights are not altered or otherwise affected to the detriment of persons enjoying such rights.”

The intention of this new clause is to mitigate the impact of Brexit on the British territory of Anguilla which is dependent on frictionless movement between Anguilla and adjacent French and Dutch possessions of St Martin/Sint Maarten that are EU territories.

New clause 13—Classification of retained EU law (No. 2)—

“(1) Any retained EU law that was a legislative act or implements a legislative act enacted under Article 289 of the Treaty on the Functioning of the European Union is deemed to be primary legislation on or after exit day.

(2) Any retained EU law that was a delegated act or implements a delegated act under Article 290 of the Treaty on the Functioning of the European Union or was an implementing act or implements an implementing act under Article 291 of the Treaty on the Functioning of the European Union is deemed to be a statutory instrument on or after exit day, unless that law is already enacted as an Act of Parliament.

(3) Any change to the preceding characterisation shall be by regulation which may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament.”

This new clause would provide greater legal certainty by classifying retained EU law as either primary or secondary legislation.

New clause 16—Consequences of leaving the European Union: equality—

“(1) This section comes into force when this Act is passed.

(2) The purpose of this section is to ensure that the withdrawal of the United Kingdom from the European Union does not diminish protection for equality in the law of the United Kingdom.

(3) All individuals are equal before the law and have the right to the equal protection and benefit of the law.

(4) All individuals have a right not to be discriminated against by any public authority on any grounds including sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

(5) The following provisions of the Human Rights Act 1998 apply in relation to the rights conferred by subsections (3) and (4) as they apply in relation to Convention rights within the meaning of that Act—

(a) section 3 (interpretation of legislation); (b) section 4 (declaration of incompatibility); (c) section 5 (right of Crown to intervene); (d) section 6 (acts of public authorities); (e) section 7 (proceedings); (f) section 8 (judicial remedies); (g) section 9 (judicial acts); (h) section 10 (power to take remedial action); (i) section 11 (safeguard for existing human rights); and (j) section 19 (statements of compatibility).

(6) A court or tribunal must have regard to any relevant decisions of the European Court of Human Rights in considering—

(a) the application of this section generally, and (b) in particular, the meaning of discrimination for the purposes of this section.”

This new clause would ensure that the rights of equality presently enjoyed in accordance with EU law are enshrined in free-standing domestic law after the UK leaves the EU.
New clause 19—Saving for rights etc. under section 2(1) of the ECA (No. 2)—

“(1) Any rights, powers, liabilities, obligations, restrictions, remedies and procedures which, immediately before exit day are part of domestic law by virtue of section 2(1) of the European Communities Act 1972 continue on and after exit day to be recognised and available in domestic law (and to be enforced, allowed and followed accordingly).

(2) Subsection (1) does not apply to any rights, powers, liabilities, obligations restrictions, remedies or procedures so far as they form part of domestic law by virtue of section 3

(3) Where, following the United Kingdom's exit from the EU, retained EU law incorrectly or incompletely gives effect to any rights, powers, liabilities, obligations, restrictions, remedies or procedures created or required by EU law in force immediately before exit day, a Minister of the Crown shall make regulations for the purpose of giving effect to such rights, powers, liabilities, obligations, restrictions, remedies and procedures.

(4) This section is subject to section 5 and Schedule 1 (except savings and incorporation).”

This new clause is linked to Amendment 57 to leave out Clause 4 and aims to preserve, more comprehensively than the existing clause 4, rights, powers, liabilities, obligations, restrictions, remedies and procedures derived from EU law and incorporated into domestic law via the European Communities Act 1972. Where such rights are incorrectly or incompletely transferred, it imposes a duty to make regulations to remedy the deficiency.

Amendment 40, in schedule 8, page 54, line 6, at end insert

"to which subsection (2) of section (Classification of retained EU law (Amendment2)) applies."

This amendment is consequential on NC13.

Amendment 41, page 54, line 44, at end insert

"to which subsection (2) of section (Classification of retained EU law (Amendment3)) applies."

This amendment is consequential on NC13.

Government amendments 37 and 38.

Kerry McCarthy: Amendment 57, which would leave out clause 4, is linked to new clauses 19 and 21. Many of the amendments I tabled in Committee have been proposed by Greener UK, a coalition of many environmental organisations that are concerned about the possible impact of Brexit on environmental protections. They see it as one of the biggest threats: I know other people see it as an opportunity, especially when it comes to regidding how we subsidise agriculture once we leave the common agricultural policy. The concern is what protections would remain, given the importance of our membership of the EU for everything from cleaning up water pollution and protecting biodiversity to improving recycling and reducing waste. It is hard to believe that we used to allow untreated sewage to flow into our seas before the EU’s bathing water direct force the UK Government to make our bathing waters fit for swimming and to test for bacteria such as E. coli. In 1990, only 27% of our bathing waters met minimum mandatory standards; by 2014, 99% complied.

When the then Secretary of State for Environment, Food and Rural Affairs gave evidence to the Environmental Audit Committee’s inquiry on the natural environment after the EU referendum, she told the Committee that approximately a third of the more than 800 pieces of EU environmental legislation will be difficult to transpose into UK law. The Committee also identified a considerable governance gap, which the Government have acknowledged, and I support new clause 18, which would enshrine what the Government have said they want in relation to carrying over environmental principles and establishing a new environmental regulatory body.

My amendment addresses the substantial flaws, gaps and democratic deficit in the Bill that were not addressed in Committee, in particular to fully transpose current EU environmental legislation in all areas effectively into UK law to avoid any weakening or loss of existing environmental protection during Brexit. The Secretary of State for Environment, Food and Rural Affairs has been encouraging in saying that:

“We must not only maintain but enhance environmental standards as we leave the EU. And that means making sure we secure the environmental gains we have made while in the EU even as we use our new independence to aim even higher”.

Opposition Members share the same aspirations and visions, but we cannot just take his word for it. We need those promises written into the Bill and concrete measures to deliver on those aspirations. This has to last longer than he is in post.

Amendment 57 would leave out clause 4, with a view to replacing it with new clause 19 which would preserve—more comprehensively than clause 4—rights, powers, liabilities, obligations, restrictions, remedies and procedures derived from EU law. The new clause seeks only to properly realise the Government’s stated ambition for the Bill—they have repeatedly assured us of this during the process—that the same rules and laws will apply after we leave the EU as before.

In their White Paper, the Government sought to reassure us that this Bill will mean that “the whole body of existing EU environmental law continues to have effect in UK law”.

The Prime Minister has promised:

“The same rules and laws will apply on the day after exit as on the day before”,

but that is simply not the case. As drafted, the Bill will not properly capture and convert all EU environmental law into stand-alone domestic law.

Clause 4 appears to deal with full transposition. In Committee, the then Minister of State for Courts and Justice described it as a sweeper provision that “picks up the other obligations, rights and remedies that would currently have the force of UK law under section 2 of the European Communities Act 1972.”—[Official Report, 15 November 2017; Vol. 631, c. 498.] But it fails to do its sweeping properly, because some inexplicable and unnecessary restrictions in clause 4(l)(b) and (2)(b) mean that important aspects of environmental law will be lost. Those exceptions include rights that have not been recognised by a court before exit day. Effectively, the basic rights that everyone accepts but that have not been litigated on are at risk. Those rights have been hardwired into EU law and do not need enforcing, but once we no longer have the safety net of the EU, they could fall.

The Government’s defence of the limitations in these subsections in Committee was far from convincing. The Minister essentially argued that they were necessary because directives do not produce directly effective rights until they have been recognised as such by courts. However, if a provision in legislation creates directly effective law, it does not need a court to confirm that that is the case. If a piece of legislation creates a legal position, it does not need a judge to verify that that is
Mr Dominic Grieve (Beaconsfield) (Con): It is a pleasure to follow the hon. Member for Bristol East (Kerry McCarthy) in respect of her provisions and to have the opportunity this afternoon to talk about the schedule of amendments in front of us, which we have to consider as a block between now and 4 pm.

The hon. Lady’s concern is about the fate of environmental law, as provided to us by the EU, once we leave, and about what provision we will make to provide it with adequate protection. However, the whole list of amendments, including those tabled by the official Opposition, goes to the issue of what happens to areas of entrenched law that have developed during our EU membership after we have gone. My right hon. and hon. Friends on the Treasury Bench keep on repeating insistently that it is not the intention, as a result of our removal from the EU, that any of these protections should be diminished in any way at all.

It is true that one or two of my right hon. and hon. Friends have made hinting noises at various times that there are areas that they might like to alter in future, in a way that suggests a possible diminution, but in fairness to the Government, that has never been the Government’s position. Indeed, as we have spent time looking at issues such as equality law or children’s rights, the message has come back over and again that the disappearance of the charter of fundamental rights or environmental law issues, for example, will not be used as an excuse for diminishing the existing legal framework.

The difficulty—it is the one that exercised me in Committee—is that it is all very well Ministers coming to the House and making very pleasant statements that that is what they intend to do, but it must be the responsibility of this House to ask the Government how, in practice, that is to be done, when such a powerful mechanism as our EU membership is about to be removed.

That raises a second and more fundamental problem, where I have considerable sympathy with the Government. I understand why, for many in this House—I think that I count myself as one of them, as a good Conservative—the idea of entrenched rights that override the sovereign power of Parliament is something with which we are not comfortable. Indeed, the official Opposition, when in government post-1997 and when seeking to enact the Human Rights Act 1998, recognised that, in that they did not seek to provide entrenched laws; they sought to provide a mechanism through the Human Rights Act whereby rights under the European convention on human rights might be protected in a special way through declarations of incompatibility. That was not sufficient to override primary legislation of this House, but, of course, it did provide a mechanism by which it could be overridden and struck down in the case of secondary legislation. That has always been a way of doing things that has commended itself to me.
I have always accepted that one of the consequences and problems of EU membership is that it has provided entrenched laws that ultimately override by virtue of our obligations under the Convention the right to a fair trial and the European Court of Human Rights. So I can understand that there should be reluctance on the Government side of the House, as we leave the EU, to simply take this category of laws and say that we are going to give it a special status that overrides the ordinary way in which this House does its business.

If we do that, however, it raises the question of what the Government propose to do to provide, for example, at least as much protection for these categories of rights as is currently enjoyed under the Human Rights Act. One possibility—we canvassed it in Committee—was that the Government might wish to enact primary legislation to add clauses to the Human Rights Act to provide such a mechanism. Indeed, if the Government were to come up with such a proposal, I would be enthusiastic about it, and it is a matter to which we have to give careful consideration.

I am also aware that some of the rights provided in the charter, for example, clearly pertain to EU citizenship, so they are irrelevant to this country once we leave. I also accept that some of the rights may be said to have a socioeconomic aspect, which makes it debatable whether they should be categorised as rights at all. However, that still leaves a very big area indeed of matters that, as I understand it from listening to my right hon. and hon. Members on the Treasury Bench, Ministers acknowledge are of such importance that they are now seen as being equivalent to rights, yet they do not enjoy the protection of the convention.

1 pm

My hon. Friend the Member for Fareham (Suella Fernandes), who is now a Minister—she is busy, I think, in the Department for Exiting the European Union—characterised the inability to get one’s head around the problem with this issue, if I may gently point it out, by first saying that these rights would be wholly protected after we left—they are plainly not—and then actually suggesting that the argument against the Opposition’s proposal was that there were multiple layers of rights. Those two statements cannot both be correct. The fact is that areas such as equality law will no longer enjoy any protection at all. Indeed, that will be capable of being changed by statutory instrument, by virtue of other changes that the Government are introducing in the Bill, so these areas do raise serious issues.

I listen very carefully to what my right hon. Friend the Prime Minister says about modernising the Conservative party, giving it a broad appeal to younger people, and trying to ensure that we reflect current norms and standards in our country and give effect to them in the policies we develop. I am sorry to have to say this to my hon. and learned Friend the Member for Beaconsfield (Mr Grieve) is saying about this matter, because the other danger that is lurking here is the fact that our courts may well decide that they have an obligation to maintain EU law even in the face of an Act of Parliament, and might strike down an Act of Parliament because, from reading the Bill, they see it as their obligation to retain certain principles of EU law. I like the declaration of incompatibility that my right hon. and learned Friend is suggesting as a very suitable compromise that enshrines what we have.

Mr Speaker: Order. This, if I may say so to the hon. Gentleman, is a mini-speech, with more emphasis on the speech than on the mini.

Mr Grieve: Thank you, Mr Speaker.

My hon. Friend makes a perfectly good point, which reinforces my impression that it is inadequate simply to say, “Because we are leaving we shall leave this to a later date.” I will return to that later.

We did actually, Mr Speaker, talk about this at some length in Committee. In Committee, as hon. Members may recall, I emphasised that one way out of this
difficulty might be to move away from the charter and look at the general principles of EU law. We could allow them to continue to be invoked, in respect of retained EU law, which would include issues such as the laws which we have under the charter, until they were replaced. That seemed to me to be a stopgap. I emphasise that I put it forward as a stopgap—not as a long-term solution, but as a way of getting the Government off the hook of having to accept any part of the charter, because I know that one or two of my hon. Friends choked when they even mention that word. I have never shared that view—I think they should actually go and read the charter, because then they would realise it is rather a reasonable document. My suggestion provided a way forward, and my hon. and learned Friend the Solicitor General very kindly said that he would go away and give the matter some thought, the consequence of which was Government amendments 37 and 38.

I am sorry to start this Report stage with a bit of carping, because later I shall say some very nice things about the response of my hon. Friends on the Treasury Bench to some of the representations that I made to them in Committee. Some very good things indeed have been done, for which I am grateful—I will talk about those when we come to the right point—but I think that the response on this matter is, frankly, rather paltry. They have provided a mechanism by which for three months—the period in which it is possible to carry out judicial review—afer the exit date it will be possible to invoke these rights, but not in a way that challenges any primary legislation. It is a minuscule change, but minuscule though it may be, it is actually a little wedge in the door, because it represents quite a major surrender or change of principle on the part of the Government towards this issue, and to that extent I am delighted to welcome it. Nevertheless, as I think the Solicitor General knows very well, the proposal is not what I was asking for. The problem is that although it starts to remedy the situation, it does not go anything like far enough, particularly when it is not linked to a wider statement from the Government about how they want to go ahead and deal with this.

I had to make a decision about whether to table a further amendment to put to the House on Report. Having rebelled—there is no other way to describe it—against the Government, because that was what I undoubtedly did on clause 9, and indeed incited some of my colleagues to join me in doing so, because I thought that clause 9 was so deficient, it is not my desire to cause further stir, in the harmonious atmosphere of early January, by doing that again if I can possibly avoid it. It crossed my mind that two things appeared to me to militate against doing it. The first is this.

Another factor influenced my decision not to table another amendment and divide the House on this matter. Realistically, although I realise that some may not like this, in leaving the European Union, we are about to embark on a lengthy period of transitional arrangements during which, in my view—I might be wrong—every jot and tittle of EU law will continue to apply to this country in every conceivable respect, except that we will no longer share in its making in the institutions of the European Union. I am afraid that I think that is where we are going; the alternative, of course, is that we are jumping off the cliff.

If that is where we are going, I accept that there is a little more time for the Government to start to reflect on how they will deal with issues of entrenched law before anybody’s remedy disappears. That is something else that influences me in not wishing to divide my own party or the House. I am always aware that quiet persuasion may be better than speeches from the Back Benches, and for those reasons, a bit more quiet persuasion might get us to where we need to be on this issue, but it will not go away.

Mrs Anne Main (St Albans) (Con): My right hon. and learned Friend says that he does not wish to divide the House. However, if he had tabled an amendment and divided the House, and then that vote had been lost, it would have sent a powerful message to their lordships not to mess with the Bill and that the will of the House had been firmly expressed. There would have been an advantage in his position, if he had maintained it.

Mr Grieve: The hon. Gentleman makes a totally legitimate point, especially as the Government themselves have emphasised how important these issues are to them. We are not turning the clock back to the 1950s—at least, I do not think we are—since when this country has moved on in respect of rights. The challenge to Ministers is that they have to come up with some solution to the problem. As I said, I do not want to put spanners in the works of how they do it.

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Mr Grieve: There might have been, but as a loyal member of the Conservative party over many years, I have always been of the opinion that the best way to try to influence one’s party’s policy is in the quietest way
possible. As this issue has the merit of being able to succeed in that way, I shall stick to my strategy. Of course, if and when I think it necessary for me to do something else, I could, very reluctantly, be forced to do so. On this matter, however, I prefer to leave it.

I turn to a related matter about which I did table an amendment, which I do not wish to press to a vote. It goes to the other issues about the certainty of retained EU law. There is an inevitable internal reference about how retained EU law is being handled in the Bill. In reality, retained EU law has a primary quality, because in all likelihood most of it is supreme over our own laws. Oddly enough, that situation is going, at least in part, to be retained, but the Government have dealt with that by allowing it all to be altered through statutory instruments.

In Committee, we tried to find a way out—I tried quite hard. That is why I have tabled new clause 13, which provides a way of identifying what EU legislation is in reality primary and what is secondary. I thought that the House might be interested—if it is not, the other place might be—in how one might go about making that separation, which would then provide a sensible measure of greater certainty. At the moment, the Government’s proposal, as I understand it, is that each measure will be dealt with on a case-by-case basis. That seems a rather extraordinary way in which to proceed.

1.15 pm

For that reason, I have put the new clause and a couple of consequential amendments forward for the consideration of the House. If the proposal were to be accepted, or taken away and thought about further, it would allow for what I think would be a credible mechanism by which we could identify primary and secondary legislation that had been retained and had come to us from the EU. I will say no more about that.

My right hon. Friend the Member for Chesham and Amersham (Dame Cheryl Gillan) is not in the Chamber this afternoon, but she also put forward the issue, which comes into this bracket, of whether after exit day people would be able to litigate on matters that arose pre exit day exactly as if we had remained in the EU. That raises a fundamental issue of legal propriety that as yet remains unresolved. I note that the Government have not responded, although I understood that there would be a response. Perhaps it will come in the other place, in which case I will greatly welcome it.

I am conscious that I do not want to take up more of the House’s time. We have a problem that ought, in fact, to unite both sides of the House about how best to go about retaining what is best of EU law. Although we have made some steps in the right direction, I regret that I do not think we have yet got anywhere near enough to the point at which I can feel really comfortable that we have done things as well as we should.

Fortunately—or unfortunately, because in many ways I would love to get the process of Brexit out of the way as quickly as possible—we will have ample time over a considerable period to reflect on this matter before we finally achieve some longer-term stability. That encourages me to allow the Government to reflect, rather than challenging them on this issue.

Paul Blomfield (Sheffield Central) (Lab): As ever, it is a genuine privilege to follow the hon. Gentleman and learned Member for Beaconsfield (Mr Grieve), whose integrity and honesty have shone through every day we have been debating this Bill.

Mr Speaker: Order. Forgive me. Before the hon. Gentleman gets under way—I think the Minister is keen to follow—I want to say that a number of Back Benchers wish to contribute. I am very keen that they be fully heard; I do not want the debate to be dominated by the Front Benchers, who I am sure will make succinct contributions.

Paul Blomfield: I will seek to live up to that expectation, Mr Speaker; I do not intend to speak for long.

Amendment 4 addresses one of the six key tests that we set out for the Bill before we could support it. Those tests were not set out simply on Second Reading or in Committee, but 10 months ago, when the White Paper outlining the Government’s approach was first published.

The tests drew support across the House, but sadly the Government have made no significant concessions. In Committee, a meaningful vote for Parliament on the final deal was secured, of course—but against the wishes of the Government and only by decision of the House. Our five amendments at this stage address those other tests: facilitating a transitional period; protecting the devolution settlement; protecting workers’ rights; reining in the Henry VIII powers; and, in amendment 4, retaining the EU charter of fundamental rights in UK law.

The objective of amendment 4, which would retain charter rights in UK law and afford them the same level of protection as those in the Human Rights Act, has wide support on both sides of the House. It is part of a sensible and responsible approach to Brexit that respects the referendum decision but does not sacrifice jobs and the economy or rights and protections on the altar of ideology. It is a sensible approach for which I believe there is a majority across the House—one that goes well beyond those who voted for amendment 7 in Committee. It is also a consensus that I think is reflected in the other place, from which I suspect we might see the Bill return with some improvements, as the right hon. and learned Member for Beaconsfield indicated.

The Opposition support amendments 42 and 43, which would enable UK courts to continue to refer matters to the Court of Justice and to consider CJEU decision to be persuasive. As well as amendment 55, we also support new clause 13, amendments 40 and 41, on clarifying the status of retained law, and new clause 16 on enshrining equality rights, which stands in the name of my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous). We also support new clause 7 on animal sentience and new clause 9 on the acquired rights of Anguillans—an indication of the enormous complexity and range of the issues we face with Brexit.

We accept that Government amendments 37 and 38 improve the Bill, but we fear that they do not go anywhere near far enough on legal challenges based on the general principles of EU law, which is why we prefer and support amendment 57, which was moved so ably by my hon. Friend the Member for Bristol East (Kerry McCarthy).

Amendment 4 addresses the concerns we raised in Committee around the charter of fundamental rights and provides an opportunity for the Government to
think again. Human rights should not be a dividing line between parties in this House, so even at this stage we hope that the Government, either here or in the Lords, might accept our approach in the amendment and perhaps even accept the amendment today and avoid the vote that we will otherwise be seeking. As we said in Committee, the charter has been critical in developing, strengthening and modernising human rights in the UK. To abandon it risks reducing protections for UK citizens and leaving a gaping hole in our statute book.

The Government claim that the Bill is about legal continuity and certainty in what will become the new category of EU retained law, but all of that EU law is interpreted through the charter, so excluding it would leave our legal system inconsistent and incoherent. To avoid defeat on this issue in Committee the former Justice Minister, the hon. Member for Esher and Walton (Dominic Raab), committed to publishing a memorandum that he claimed would confirm the Government’s case that the charter was unnecessary by identifying where all of these rights could be found in EU retained law or existing domestic law.

Obviously that argument overlooked the main point of the charter, which was to bring all of these rights together in one codifying document, but as an Opposition we were willing to be helpful and awaited the memorandum with interest. We wanted to see a comprehensive document that identified not only the source of each right in the charter but—crucially—how the existing level of effective recourse would be guaranteed. The memorandum was published on 5 December, and it acknowledged that the Government envisaged all these rights being scattered back to their original sources. They are removing the material source of the rights, in the form of the charter, and leaving citizens with the formal source. Now that is a legal way of describing the problem, but I am not a lawyer. It means in effect that it will become more difficult for any UK citizen to assert their rights post-Brexit.

In their defence, the Government insisted that nothing would be lost if we dropped the charter because it created no new rights.

The Solicitor General (Robert Buckland) indicated assent.

Paul Blomfield: I see the Solicitor General nodding. On this crucial issue, however, the Government’s cover has been blown. For this, I would like to thank the new Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham (Suella Fernandes) —I am sorry she is not in her place today—because in an article in The Daily Telegraph on 18 November last year she made our case clearly. She expressed her concern about the charter precisely because it provided new rights. She wrote that it went beyond the European convention on human rights by creating “extra layers of rights”, and she went on to bemoan the fact that these extra rights covered “everything from biomedicine and eugenics to personal data and collective bargaining.”

I appreciate that her thinking on this will probably be in line with that of her new boss, the Secretary of State for Exiting the European Union, because he relied of course on the extra rights provided by the charter when he brought his own court case against the now Prime Minister asserting his right to personal data.

Hilary Benn (Leeds Central) (Lab): My hon. Friend is making a powerful case. In addition to the points he has just made, the Exiting the European Union Committee heard evidence from witnesses who said that something would be lost if the charter was not transferred. Given that the whole purpose of the Bill is to take the law as it is now and make sure it is still there the day after, does he agree that the Government have thus far failed to persuade the House that the one thing that should be left out is the charter of fundamental rights?

Paul Blomfield: I agree absolutely with my right hon. Friend, and I hope even at this stage that Members across the House might join us in supporting amendment 4.

I do not often agree with the Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham, but I am delighted to say that in this case I do. She is right that the charter does indeed go beyond the European convention on human rights and that EU retained law will be incoherent without it. Our amendment is necessary, therefore, if we are to achieve the Government’s own stated objective of protecting the rights of UK citizens. This is a crucial issue. The chair of the Government’s own Equality and Human Rights Commission, David Isaac, has said:

“The government has promised there will be no rowing back on people’s rights after Brexit. If we lose the charter protections, that promise will be broken. It will cause legal confusion and there will be gaps in the law.”

These are serious concerns. Human rights should not be a dividing line across the House but should be seen as a British value, and I urge all Members who do not want Brexit hijacked and the rights of UK citizens diluted and reduced to support the amendment.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I want to speak briefly to several of the amendments in this group. In particular, I want to encourage the right hon. and learned Member for Beaconsfield (Mr Grieve) to elaborate on his rather carefully crafted new clause 13, which sets out quite a clever solution to the vexed question of EU retained law. He slightly rushed through his explanation of the new clause towards the end of his speech, but as I understand it, he is suggesting that rather than treating as a new category of law the whole corpus of 40 years of accrued EU legislation, rights and duties that we all enjoy—or not, depending on how they apply—for the purposes of future amendment or reform of those rights and retained law, certain aspects should be treated as primary legislation and others as secondary legislation.

I think the right hon. and learned Gentleman was saying that issues that fell under article 289 should be treated as primary legislation because they were of greater import, and that if we wanted to amend them again in the future we should do so by Act of Parliament, whereas aspects of retained EU law that related to delegated instruments under article 290 should be treated as secondary legislation, and if there were future reforms of those aspects, Parliament could use the secondary procedure. It would be most helpful if the right hon. and learned Gentleman could give us a little more detail about why he felt that those were the right categories to pursue.

1.30 pm

Mr Grieve: I am certainly not going to make a mini-speech; I said what I felt was sufficient. I offer the new clause not as a perfect solution, but as an alternative to
what I consider to be the rather incoherent approach that the Government have adopted. The new clause seemed to me to have some merit, especially because it includes a provision allowing the status of retained EU law to be altered by statutory instrument, so the House could be done with the process quite quickly. I thought that it was a way of trying to resolve what I saw as a practical problem. Let me emphasise that it was not intended to be a weapon with which to beat Ministers on the head. I saw it merely as a sensible way of trying to take things forward, and I present it to the Committee in that spirit. It is not perfect, but represents another way in which we might approach the issue.

Mr Leslie: This may seem a dry and technical question, but from time to time Parliament does reflect on the nature of legislation that has been passed. We all assume that it has been accrued through Acts of Parliament or through secondary legislation, but we are now importing a third category, that of retained EU law, into our legal context, and we need to know how to treat it in the future. I do not think that the Government have addressed that question adequately, which is why I think that new clause 13 is of particular interest.

Catherine West (Hornsey and Wood Green) (Lab): One of the perplexing aspects of Brexit is the lack of certainty. Many external advisers have come to see us, both in our capacity as constituency MPs and as people who are concerned about the economy and the legal picture and who are asking for certainty. The new clause would assist that process.

Mr Leslie: These issues are very much to do with legal clarity. They are to do with ensuring that the body of our law can operate smoothly and with stability, and that the courts can properly interpret the way in which various rights will apply in the circumstances that our individual constituents may encounter.

You were not in the Chair during the Committee stage, Mr Speaker, but you may recall that we had some discussion about aspects of the charter of fundamental rights. Amendment 4, and amendment 7 tabled by members of the Scottish National party, makes the important point that, as we heard earlier from my hon. Friend the Member for Sheffield Central (Paul Blomfield), this is not a simple “copy and paste” piece of legislation. I agree with my right hon. Friend the Member for Leeds Central (Hilary Benn): it seems very peculiar that the charter has been explicitly excluded from the carrying forward of rights. Ministers say, “Do not worry: all those matters are already covered”, or “Common law can deal with them adequately”, but I do not think that such verbal assurances are good enough, and evidence given to the Exiting the European Union Committee bears that out.

Charlie Elphicke (Dover) (Ind): I read what the report said about the issue of the charter of fundamental rights, and I must say that I thought it very inconclusive. I do not think that the Committee took a strong position on either side of the debate.

Mr Leslie: The Select Committee consists of Members in all parts of the House. Far be it from me to interfere with the way in which my right hon. Friend the Member for Leeds Central manages—heaven knows how—to steer through a report compiled by a Committee that is not only august but enormous. Evidence was submitted, however, and I do not think that it can be swept away.

Let me remind the Committee what we are talking about when we refer to the Charter of Fundamental Rights. We are talking about rights that relate to “dignity, the right to life, to freedom from torture, slavery, the death penalty, eugenic practices and human cloning.”

We are talking about “freedoms, the right to liberty, personal integrity, privacy, protection of personal data”—which will be a massive issue when it arises later in our proceedings—“marriage, thought, religion, expression, assembly, education, work, property and asylum”.

We are talking about “equality, the right to equality before the law, prohibition of all discrimination including on the basis of disability, age and sexual orientation, cultural, religious and linguistic diversity, the rights of children and the elderly.”

Again, some of those rights are not necessarily enshrined in primary legislation, but have accrued because of our membership of the European Union over several decades. We are talking about “solidarity, the right to fair working conditions, protection against unjustified dismissal, and access to health care, social and housing assistance...citizens’ rights, the rights of citizens such as the right to vote in elections and to move freely, the right to good administration, to access documents and to petition Parliament”.

We are also talking about justiciable rights: “the right to an effective remedy, a fair trial, to the presumption of innocence, the principle of legality, non-retrospectivity and double jeopardy.”

We can all point to parts of existing UK law where many of those rights may be covered adequately, but other rights—particularly those relating to children and families and to social policy—are connected very much with EU law.

James Cleverly (Brantree) (Con): The catalogue of rights that the hon. Gentleman has just read out is impressive, without a shadow of a doubt. Will he concede, however, that throughout the glorious history of this place, Governments of all political persuasions have enshrined, in primary legislation and elsewhere, rights that include almost all of those? Indeed, in continental Europe, when many of those rights were being stripped down and attacked, this place had a fantastic track record of defending them both in the UK and in other parts of the world, spilling the blood of our young people in order to do so. How on earth can the hon. Gentleman think that we would strip them away?

Mr Leslie: No one is more proud of being a member of this fine body than I am. Parliament is a great institution: I would say that it is one of the greatest democratic institutions in the world. We are perfectly capable of dealing with many of these issues, but the hon. Gentleman unwittingly went against his own argument when he said “almost” all the rights in the charter were covered or duplicated in primary legislation. Not all of them are covered, as was made clear in some of the evidence that the Select Committee heard.

Mr Pat McFadden (Wolverhampton South East) (Lab): Is there not a fundamental inconsistency here? The Government’s reason for not including the charter is
that those rights are covered in domestic law, so it would not add anything, but they propose to include thousands of other directives and rules, many of which we would also be unlikely to change in domestic law. The very same argument could be applied to those thousands of other rules that the Bill goes out of its way to incorporate. The Government say, “We do not want to change the labour laws; we do not want to change the environmental rules; we do not want to change the consumer rights.” However, they apply a different logic to the charter. Why does my hon. Friend think that is?

Mr Leslie: The logic of the Government is a mystery sometimes, and I wonder whether the Solicitor General actually secretly agrees that these are important rights that need to be defended and that the Government have got themselves into a bit of a pickle, possibly because they drafted this Bill before the general election and therefore before they saw some of the consequences of these things.

Peter Kyle (Hove) (Lab): Those of us who are gay, who went to school in the 1980s and who remember very well the impact of section 28 might baulk at the idea that every Government have given rights and not taken them away. Does my hon. Friend agree that that is a fundamental reason why we need to share and stay within the European Union and the fundamental rights system it provides?

Mr Leslie: My hon. Friend is absolutely right. That right of protection for freedoms and liberties on the grounds of sexual orientation is enshrined in the charter of fundamental rights. One of the examples given was civil partnerships where in the future pension rights might be divided but at the time when the partnerships took place certain UK laws were not in place; the charter provides protections against discrimination in a way that existing UK law does not.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is making a strong point and I strongly support what he is saying and Labour Front-Bench amendment 4. I accept that many Conservative Members would strongly defend the rights in the charter and other provisions we have agreed to, but does my hon. Friend agree that the public have reason to be deeply suspicious, because they hear many Conservative Members talk about a race to the bottom in regulation, particularly in employment rights, and about wanting to scrap the Human Rights Act and pull us out of the European convention on human rights? That is why keeping such rights is so crucial.

Mr Leslie: That is right, and my hon. Friend will also remember that, before becoming Secretary of State, the right hon. Member for Haltemprice and Howden (Mr Davis) cited many of the rights in the charter in his own legal case against the then Home Secretary, who is now the Prime Minister. The right hon. Gentleman took a case against her and cited many of the provisions in the charter; how strange it is that he now introduces a Bill that does not necessarily carry forward those provisions.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): My hon. Friend is making an excellent speech. Does he agree that the issue at hand is not whether those of us in this Chamber now might want to change the rights and protections we currently have, but the process by which those laws and rights could be changed and the ease and lack of accountability and transparency that could put them at risk in future?

Mr Leslie: I can certainly imagine cases where our constituents, feeling the need to assert some of those rights in the charter in future, find themselves falling foul of the provision in clause 5 that says, all of a sudden, that the charter of fundamental rights is not part of domestic law on or after exit day. They enjoyed those rights hitherto; where would that situation leave them?

The Government, when being sued by the tobacco companies which did not like plain packaging and thought it was against their rights of expression, cited the right to public health in the charter of fundamental rights and managed to defeat those tobacco companies. The charter of fundamental rights proved important not just for our constituents, but for the Government themselves in upholding what was a good piece of public policy at the time.

Anna Soubry (Broxtowe) (Con): I think I played a small part in that, and the hon. Gentleman is absolutely right. Does he agree that all political parties are very keen to appeal to younger voters and that things such as rights really matter to young people, so it could be seen as somewhat ironic that a party that wants to get more young people to vote for it seems to be turning its back on provision for these very important rights?

Mr Leslie: I am sure that advice will have been heard in senior quarters. Indeed a vice-chair of the Conservative party, the hon. Member for Braintree (James Cleverly), is sitting on the row in front of the right hon. Lady. He is a very senior and eminent individual now, who has great responsibility for digging the Conservative party out of quite a deep hole.

James Cleverly rose—

Mr Leslie: If the hon. Gentleman wants to show us his spade, I will give way to him.

James Cleverly: I am not trying to scrape over the point I made earlier, but I am very proud of the history of this place in enacting and protecting rights whether they are in primary legislation or not. The implication of what the hon. Gentleman is saying is that, upon our departure from the EU, unless we bind the hands of Governments of the future in some way, we can no longer trust this place to enhance and protect human rights. Can he reassure me that in no way is he implying that this place will in any way in the foreseeable future row back from its commitment to extending human rights?

1.45 pm

Mr Leslie: Who knows what will happen in terms of future majorities in this place. The hon. Gentleman is still not explaining to me why this issue of all the issues
should not be carried forward into legislation. He says he is in favour of almost all or all, of the rights in the charter, but we know there are examples where problems arise.

Lady Hermon (North Down) (Ind): The Government boast about their protection of human rights, and of course they sign up to UN conventions on the protection of rights of women and children, but they do not then incorporate those rights into our domestic legislation, and because we have a dualist system in terms of international law the rights in UN conventions are not directly applicable in the UK. That is why it is so important that we retain the charter of fundamental rights, and that the Government give a commitment today that they will do so.

Mr Leslie: The hon. Lady’s legal experience speaks volumes about the issue. Simply explaining that one is in favour of these rights, having Members on the Conservative Benches say “They are all really important”, saying that in leaflets and posting them through letterboxes at elections, and having Ministers at the Dispatch Box saying, “Trust us, it’s all fine” cannot provide the solid protections that our constituents need in a court of law, whereas the charter of fundamental rights can currently do that.

Sir Desmond Swayne (New Forest West) (Con): They have never been in any of my leaflets. I may be in danger of repeating myself now, but when did that ever stop anyone? The reality is that I remember sitting where the hon. Gentleman is sitting now and being told from the Dispatch Box on this side of the Chamber by his party colleague the right hon. Member for Leicester East (Keith Vaz) that the charter would never apply in the United Kingdom and indeed that it would have no more force than a copy of The Beano.

Mr Leslie: As it happens, since that time we have learned that the charter provides extremely important protections for many citizens. I do not think the Government would have cited it in legal actions against the tobacco companies if it were such an unimportant protection.

Emma Reynolds (Wolverhampton North East) (Lab): Does not the right hon. Member for New Forest West (Sir Desmond Swayne) make our point for us? So many on the Tory Benches disregard the importance of the charter.

Mr Leslie: I am worried. The right hon. Member for Broxtowe (Anna Soubry) was saying to her hon. Friends, “Be careful because our constituents do care about rights.” She said in particular that younger people care about rights. They really do matter. They may not matter to them in their daily lives today, but they may matter to them or their family or relatives or the environment tomorrow. Those are all things our constituents care about.

Charlie Elphicke: The hon. Gentleman has been incredibly generous in taking interventions throughout his speech. When this matter was debated at the previous stage, we had a long discussion on the charter of fundamental rights and it was clear that it divides into three sections. One section is already covered by the Human Rights Act, another section will be meaningless when we leave Europe—it includes rights such as the right to petition the European Parliament—and there is a middle section where there are rights that we should look at carefully. The right way to deal with that is through a constitutional Bill in due course to reset our own rights settlement in this country for all citizens, not just for European law.

Mr Leslie: If that were the right way, the Government would have introduced a Bill to provide such certainty, instead of saying, “Mañana. Maybe at some point in the future we will try to close this loophole.” We have the Trade Bill now, as well as the Nuclear Safeguards Bill and a customs Bill. We are supposed to have an immigration Bill at some point, although I suspect that the Government are having a few difficulties figuring out how to bring it forward. These Bills are supposed to be the fundamental underpinnings of the copy-and-paste process that the Government are pursuing. They are supposed to be taking aspects of European Union rules and regulations and ensuring that they will still be here after March 2019, but no Bill relating to the charter of fundamental rights has been brought forward.

Alex Chalk (Cheltenham) (Con): The hon. Gentleman is right about the importance of some of these rights, but may I suggest that incorporating the charter would create complete legal confusion? Under the convention, there is purely a power to make a declaration of incompatibility. Under the charter, however, UK law can actually be trumped. The extraordinary situation could arise in which, if a prohibition against slavery were breached, the courts could merely say that it was incompatible, but if there were a breach relating to data protection, UK law could be trumped. That would create confusion and chaos, which is not what we need in this country.

Mr Leslie: Personally, I believe that Parliament does and should value the provisions of the charter of fundamental human rights. I trust our legal system to be able to reconcile textual difficulties between different Acts. I would rather operate on the precautionary principle and have those rights covered within our law than see the protections that are offered to our constituents expunged at this point, only to unwittingly discover later that the rights we used to have under the charter are no longer provided for because the Government of the day did not want to transpose them.

While talking about rights, but in a completely different context, I want to talk about new clause 7, which has been tabled by the hon. Member for Brighton, Pavilion (Caroline Lucas). It relates to animal sentience and the welfare of animals—not human rights but animal rights. If there is one issue that can be guaranteed to fill all our inboxes, it is the protection of animal rights. Our constituents really do care about this issue. The Government have already got into a tremendous pickle over this, and it would have been funny if it were not so tragic to see the Secretary of State for the Environment scrabbling around trying to pretend that, all of a sudden, the Government really cared about these matters.

Brexit will affect this area quite considerably. On the International Trade Committee, we heard evidence from various animal rights organisations and others involved in the agricultural trade sector, including the National
Farmers Union and those involved with what are known as the sanitary and phytosanitary regulations relating to the import and export of animal products. There is a reason that the Americans dip their chickens in chlorine, Mr Speaker. I do not know whether you have had chlorinated chicken recently. I am not that fussy myself, but perhaps we will be invited to a tasting session at the new American embassy at some point. The reason they dip their chickens in chlorine is that the welfare standards that cover their abattoirs and the way in which their animals are looked after before slaughter are far worse than ours. Before the animals reach the consumer, they need to be cleaned up in a way that is not necessary here in the UK because we have higher welfare standards, not least by virtue of our membership of the European Union. Across all the European Union, we take a precautionary principle when it comes to this kind of regulation. We do not have to dip our chickens in chlorine, because they are already subject to certain health and safety standards.

Animal welfare issues matter in relation to trade as well. I find it perplexing when Conservative Members say that our salvation will be a trade deal with President Trump and the United States. We all know that the primary goal of the United States will be to have a treaty in respect of agriculture. If we do such a deal, the Americans will want to sell us animal products that have been produced under lower welfare and regulatory standards. That will be the deal they will seek. However, if the Secretary of State for the Environment says that our salvation will be a trade deal with President Trump and the United States. We all know that the primary goal of the United States will be to have a treaty in respect of agriculture. If we do such a deal, the Americans will want to sell us animal products that have been produced under lower welfare and regulatory standards. That will be the deal they will seek. However, if the Secretary of State for the Environment says that we are going to have exactly the same regulatory standards as we have now, he will effectively be telling the Americans that that can be no trade deal. That would be the outcome—[Interuption.] It would certainly be a very big sticking point.

Charlie Elphicke: In Dover and Ramsgate in east Kent, we have to put up with the evil and wicked trade of live animal exports, and we have to do that because of European law. We now see an opportunity to stop that evil trade, for the sake of our communities and for animal welfare, by leaving the European Union and taking back control. Does the hon. Gentleman not welcome that?

Mr Leslie: There are ways of mending, improving and reforming animal safety standards within the European Union. We should be making the case to do that. We do not want to throw away the benefits that the hon. Gentleman’s constituents enjoy, such as being free from traffic jams—not all the time but on many occasions. If Dover has to institute all the necessary sanitary and phytosanitary checking and inspections, with all the warehousing arrangements and other obstacles and regulations that will be needed at the border because we have left the European Union, his constituents will be mightily annoyed by the bureaucracy that they will encounter.

Caroline Lucas (Brighton, Pavilion) (Green): Does the hon. Gentleman agree that, if the Government had had the political will to do this, they could have ended live animal exports by now? There are already references in the EU treaties to public morals, so they could have done it if they had had the political will to do so. Also, if the Government really want to persuade us that they care as much about animal welfare as they claim to do, why on earth would they oppose the new clause? It will simply ensure that we do not have a gap when we leave the EU and before the new Bill, if it happens, comes in?

Mr Leslie: The hon. Lady makes a very good point. In relation to specific issues relating to Brexit, the Government are finding, when the rubber hits the road, not only that there are potential problems such as the one relating to an American trade deal but that an awful lot of their constituents are saying, “Hang on a minute, what exactly are you doing about animal rights issues? Where will we be when we exit from these particular provisions?”

Graham Stringer (Blackley and Broughton) (Lab): My hon. Friend knows that we do not agree on many issues relating to the EU, but we were both elected on the same glorious day in May 1997, and he will remember that our postbags then were full of campaigns to stop the export of live animals to Europe. The reason that that did not happen was not a lack of political will. The reason that the Labour Government, the coalition Government and the Conservative Government did not change the law is that it is a fundamental part of the treaty of Rome. That gives the lie to the argument that the EU can be reformed from inside. The treaty of Rome is not going to be reformed.

Mr Leslie: Treaties are reformed every time there are adaptations to them, whether it is Maastricht, Nice or Lisbon. The body of European rules and regulations is adapted and reformed all the time. It is all part of working together in co-operation. Sometimes we get our way on particular issues; sometimes we have to continue to argue our case. That is the nature of pooling some of our rules and sharing sovereignty in some respects with our wider neighbours. That is the nature of agriculture and of the environment in which we live.

Kerry McCarthy: It is an absolute fallacy to suggest that this Government have been dying to ban live animal exports and that it is only the EU that has held them back. I think it was Germany and the Netherlands that tried in the past few years to put a limit of eight hours, transit time on live exports. The UK went along to those negotiations and argued against those proposals. This is definitely a question of political will.

Mr Leslie: My hon. Friend absolutely nails the point. Antoinette Sandbach (Eddisbury) (Con) rose—

Antoinette Sandbach: I am grateful to the hon. Gentleman, but this country is a leader in animal welfare legislation, having introduced the concept of unnecessary
suffering in 1915 and, in effect, the first protections for animal welfare, and we have continued that process. Indeed, this Government have reformed animal welfare and this country has high animal welfare protection standards.

Mr Leslie: We do have high animal welfare standards. I do not deny that there could always be improvements, but I want to retain what our constituents want, which is high standards. By leaving the European Union in this particular way, I worry that we will be forcing ourselves to chase after trade deals with other jurisdictions that have a totally different approach to regulation. The world effectively has three regulatory philosophies: the Chinese have a particular view of regulation; the European Union has a precautionary principle; and the Americans have a different cost-benefit analysis view of the world. If we depart from the precautionary principle ambit, that will affect agriculture, animal rights and many other issues. It would lead to wholly different and lower regulatory standards, which in some ways is the backdrop to this whole question.

Stephen Doughty rose——

Mr Leslie: I will take one last intervention, but then I must conclude.

Mr Jenkin rose——

Mr Leslie: No, I have to conclude.

Stephen Doughty: I thank my hon. Friend for giving way; he is being very generous. Does he recognise that people are suspicious given that, for example, the new Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham (Suella Fernandes), who has just joined us in the Chamber, said that the Government were right not to copy the charter of fundamental rights into UK law because lawyers will love the extra rights that it gives? That shows the real intention behind what some Ministers want, which is to bring down the rights that have protected so many people and workers, the environment, and safety.

Mr Leslie: I congratulate the hon. Member for Fareham (Suella Fernandes) on her appointment, but I am very much looking forward to her speech, which will perhaps wind up one of the sections of this debate, because Parliament will want to scrutinise her views, past and present. I will conclude with that because I have taken up more than half an hour and other Members will want to contribute.

Several hon. Members rose——

Mr Speaker: Order. I will take Joanna Cherry next and then Mr Kenneth Clarke.

Joanna Cherry (Edinburgh South West) (SNP): I rise to discuss amendment 7, which is in my name and those of my hon. Friends and other Members and relates to the charter of fundamental rights, and amendments 42 and 43, which are in my name, and to give support to amendment 55, which was tabled by my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), who will be addressing it in due course. The amendments raise issues relating to the protection of fundamental rights, about which we have already had quite a degree of discussion today, and to the justiciability of those rights and their legal certainty in this country and its jurisdictions after Brexit. The amendments tabled by the Scottish National party have the support of the Law Society of Scotland, and those that relate to the charter have widespread support, including from the Equality and Human Rights Commission. I am also interested in the wording of amendment 4, which was tabled by the official Opposition, and if I do not press my amendment, they can count on the SNP’s support should they press amendment 4 to a vote.

The questions raised by the amendments have all yet to be answered adequately by the Government. As the right hon. and learned Member for Beaconsfield (Mr Grieve) alluded to earlier in his erudite contribution, the Government’s approach to the detailed and widely held concerns about aspects of the Bill tends to be rather dismissive or deals with them airily and in generalities. At this stage, before the Bill goes to the other place, which is unaccountable and undemocratically elected, it is incumbent on the Government to address the questions about clauses 5 and 6 that were directed to them in Committee, rather than to continue to deal in the generalities that they have used so far.

The hon. Member for Hove (Peter Kyle), who is no longer in his place, made a valid point earlier. When we hear constant reassurances from Government Members that this Parliament could not possibly do anything to contravene fundamental rights, we do not need to look back very far into our history, or into the lifetimes of many in this House, to see a prolonged period when the rights of gay people were denigrated by a Conservative Government through the use of section 28.

Anna Soubry: That was a long time ago.

Joanna Cherry: It was not that long ago. Some of us were at school or were students at the time and fought very hard against it. Some of us still find it rather irksome to see the modern Conservative party presented as a great defender of gay rights, because we remember the years when it was not. It has seen the light since then and that is a good thing, but the contravention of human rights is something that Governments do from time to time, which is why it is necessary to have protections that go over and above the whims of the party in power.

Anna Soubry: I am grateful to the hon. Lady for giving way, because I think it needs to be put on the record that, as a Conservative, I could not be prouder of what we achieved between 2010 and 2015, when we introduced equal marriage. I also pay tribute to the fact that leader of the Scottish Conservatives happens to be gay. We just need to move on from all this. We should not talk about the past, but look to the future. We are very proud of our history as it now is in the Conservative party.

Joanna Cherry: I am sorry that the right hon. Lady has failed to take my point, which is that this is not about what has happened over the past five years, when there has been cross-party support across the United Kingdom—apart from the Democratic Unionist party—for things such as equal marriage. I am talking about recent history and my lifetime as a gay woman. When I was at school and when I was a student, the Conservative party had a policy of completely quashing the aspirations
of gay people. We were not even allowed to hear about what our lives might be like when we grew up. That is an example of why we need protections that go over and above the Government and the majority of the day.

Conservative Members do not like to hear it, but there are other similar examples from our recent history. Try telling the members of the nationalist and Catholic community in Northern Ireland in the 1960s and ’70s, whose civil liberties and human rights were routinely undermined, that they were defended by this House. They are now, and it is wonderful that we have moved on, but those rights were not protected in the past—in our lifetime—and that is why we need independent support for fundamental rights. It simply will not do for the Government to say that we can get rid of the charter and that all the rights in it will be protected in United Kingdom law, because they are not. I gave an example in Committee of where such rights were not protected—namely, the loophole in the Walker case in the Supreme Court, but we have yet to hear how the Government propose to close the loophole—and there are other examples.

The hon. Member for Sheffield Central (Paul Blomfield), the Opposition spokesman, made the point that the cat was rather let out of the bag when the new Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham (Stella Farnandes), wrote an article for The Daily Telegraph last year—I mentioned this in Committee—saying that it was right to get rid of the charter because it contained many rights that she would like to see the back of. I wonder whether that isolated attack on the charter, as the one bit of European law that the Government do not want to bring into UK law, is connected to their previous antipathy to the Human Rights Act and the European convention on human rights. We have been hearing conflicting noises from Government Members about their attitude to the ECHR and the Human Rights Act, and I would be interested to hear the Government’s long-term proposals. We have a new Justice Secretary; what is his view on the matter?

In any event, it is important for us to bear in mind that there are many voices from different parts of British society who want to keep the charter, including all the Opposition parties, the devolved Governments in Scotland and in Wales, large parts of the legal profession, significant parts of the judiciary, respected think-tanks and respected non-governmental organisations. It is time for the Government to take note of views held beyond the House and beyond their own party. This is similar to the attitude the Government take towards the views of the people of Scotland, 62% of whom voted to remain. We will debate what passes for the Government’s amendments on devolved issues later today, but the distinguished Scottish political commentator Gerry Hassan wrote in the newspaper earlier this week that:

“British politics as currently conducted cannot go on indefinitely, with the will of the people interpreted on the basis of just one June 2016 vote, but ignored in everything else...public opinion north of the border cannot be permanently ignored without profound consequences.”

Do not just take that from Mr Hassan, or indeed from the Opposition. The Conservative party’s spokesperson on constitutional affairs in Scotland, Professor Adam Tomkins, said at the weekend that

“the political price of enacting legislation without consent”—from the Scottish Parliament—“might be quite significant indeed.”

The wilful ignoring of the will of the Scottish people highlights a democratic deficit at the heart of the United Kingdom, which is why I and other Scottish National party Members would like to see an independent Scotland. The irony is that those who push so strongly for Brexit complain about a democratic deficit in the European Union, and many of them hold that view sincerely, but they seem not to care a jot for the democratic deficit in this Union, the United Kingdom.

Many of the amendments being considered today are about defending democracy, and it is right they should be debated and determined by this House, not by the undemocratic and unaccountable House of Lords. The House of Lords contains a significant number of able people—indeed, I look forward to hearing what they have to say about aspects of this Bill—but they are not accountable in the way that Members of this House are. We should be debating these issues, which is why it is so disgraceful that the Government have not tabled their substantive amendments on devolution. My hon. Friend the Member for North East Fife (Stephen Gethins) will speak about that in more detail later.

The SNP’s amendments, and indeed Labour’s amendment, on the charter are supported by the Equality and Human Rights Commission, and many hon. Members will have had the benefit of reading the EHRC’s briefing and the opinion it commissioned from distinguished senior counsel Jason Coppel on the Government’s right-by-right analysis, which was published back in December 2017. The analysis repeats the Government’s assurance that the rights provided by the charter will not be weakened following Brexit, which we already know is not the view of the Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham; nor is it the view of Mr Coppel, who has produced a detailed opinion showing that the loss of the charter will result in a loss of rights in a number of ways.

As I and others said in Committee, there are gaps and, most importantly, this Bill will remove remedies that are currently available in UK law in cases of a breach of charter rights. As the right hon. and learned Member for Beaconsfield said, there is also the very real possibility that charter rights could be repealed or overridden in UK law by the use of secondary legislation.

John Redwood: If the Scottish referendum had gone the other way, would not the hon. and learned Lady have regarded the result as completely binding on the whole United Kingdom, even though large parts of England might have voted against her view?

Joanna Cherry: I will not be drawn into a discussion about that today. I can see why the right hon. Gentleman might want to take attention away from the matter at hand, but we are not here today to debate Scottish independence. That will come later, and I very much look forward to it.

We are here today to consider the Bill. Rather than shuffling off our responsibilities to another place, we should be looking at the provisions here. The “assurance” published by the Government is not worth the paper it is written on. One of their 18 publishers will tell us otherwise, but, perhaps more importantly, the independent legal opinion of a senior English silk commissioned by the EHRC tells us so, and his view is widely held.
I do not intend to press amendments 42 and 43 to a vote today, as I see them as probing amendments. Amendment 43 arises from matters raised in Committee, and amendment 42 arises from the terms of the agreement reached between EU and UK negotiators in December 2017. Amendment 42 would ensure that UK courts and tribunals can refer matters to the Court of Justice of the European Union, as was agreed between negotiators in December 2017 in relation to citizens’ rights.

2.15 pm
Paragraph 38 of the joint report from the negotiators confirms that
“the Agreement establishes rights for citizens following on from those established in Union law during the UK’s membership of the European Union; the CJEU is the ultimate arbiter of the interpretation of Union law. In the context of the application or interpretation of those rights, UK courts shall therefore have due regard to relevant decisions of the CJEU after the specified date. The Agreement should also establish a mechanism enabling UK courts or tribunals to decide, having had due regard to whether relevant case-law exists, to ask the CJEU questions of interpretation of those rights where they consider that a CJEU ruling on the question is necessary for the UK court or tribunal to be able to give judgment... This mechanism should be available for UK courts or tribunals for litigation brought within 8 years from the date of application of the citizens’ rights Part.”

That shows that the agreement reached back in December fundamentally threw away one of the Prime Minister’s red lines, because the Court of Justice of the European Union will have continuing jurisdiction in relation to citizens’ rights for a lengthy period. I am gratified that the words “due regard”, which were in my original amendment 137 in Committee—the amendment was only narrowly defeated—were used in the agreement.

The purpose of amendment 42 is to ensure that the agreement reached last December is reflected in the Bill, and the amendment has the objective of continuing the Court of Justice’s jurisdiction on citizens’ rights in this country up to a point. Of course that does not deal with the thorny problem of clause 6(2), which I attempted to amend in Committee without success. Amendment 42 was suggested by the Law Society of Scotland and is very much a probing amendment.

It needs to be borne in mind that it is not just politicians who are concerned about clause 6(2), as the judiciary are also concerned—there is a real issue here. The Government seem to acknowledge that there might be an issue, but they are unwilling to say what they are

The interpretive principles of Clause 6 must be clarified, especially so that courts and tribunals have clear guidance regarding the treatment of retained EU case law by the Supreme Court and—
in Scotland—

“the High Court of Justiciary to enhance legal certainty and individuals’ access to justice.”

Lord Neuberger, the former President of the UK Supreme Court, has raised this issue on a number of occasions, including in interviews with the BBC and in evidence to Committees of the other place.

Mr Grieve: I agree entirely with what the hon. and learned Lady is saying, but it is my understanding, and I hope the Minister will say it again—he said it in Committee—that this will be dealt with in the other place. I am sorry that it could not be dealt with here, because that would have been rather better, but if the Government need more time, I expect them to address this issue.

Joanna Cherry: That is what I have heard, too. What I would like to hear from the Government today—this is why I tabled this probing amendment—is some indication that they recognise the gravity of the issue. This is not a political football, and it is not about stopping Brexit; it is about addressing issues of legal certainty.

As a courtesy to this House, I would like to hear some indication of how the Government propose to address the issues of legal certainty, particularly so that Members of my party, which is not represented in the other place, can have some input and give our view. Of course Scotland has a separate legal system. Clause 6(2) will apply to the High Court of Justiciary, and we need to be reassured not just on behalf of judges in the UK Supreme Court but on behalf of judges in the Supreme Courts of Scotland. I very much hope amendments 42 and 43 will draw from the Solicitor General some colourable reassurance that the Government are taking these concerns seriously and that they have them in hand, as well as some indication of the route the Government intend to go down in the other place to address these concerns.

Finally, on the charter of fundamental rights, I will wait to see what the official Opposition do, as we each have an amendment down. Given the spirit in which we have worked together on other aspects of this Bill, I am sure we can come to an agreement on that. The Scottish National party will be happy to support new clause 7, which was tabled by the hon. Member for Brighton, Pavilion (Caroline Lucas). Many of our constituents feel strongly about the issue it raises, as do those of other MPs, and we are grateful to her for persevering with it.

Mr Kenneth Clarke (Rushcliffe) (Con): The hon. Member for Nottingham East (Mr Leslie) began his speech by saying that it was going to be very short but he then generously gave way to dozens of interventions from Members from all around the House and spoke for half an hour. He was expressing views with which I largely agreed, but I will try not to follow his precedent. I was not trying to catch your eye at all, Mr Speaker; I was waiting for the Solicitor General to reply to these points, as I was waiting for Ministers to reply to them in Committee, when I made speeches on one or two of them. However, I decided to make a short speech to save myself and the House from the long interventions that I am prone to make and would otherwise make on the speech of my hon. and learned Friend the Solicitor General.

This speech concerns the three points that have dominated throughout, where I am in great sympathy with what many people have said. First, why are the Government singling out the charter of fundamental rights to be the only piece of EU legislation that they wish to repeal? Secondly, on retained EU rights, why are those people who have existing rights of action able to get only this strange concession that for three months they might be able to pursue those rights, otherwise retrospectively they will lose them if their solicitors do not act quickly enough or they do not realise in time that they might have an action? Thirdly, and finally, we have this strange question of how in future a sovereign
Parliament will amend EU law if it wishes to do so and why we have this confusion about what is, in effect, primary legislation and will require an Act of Parliament to change it, and what is secondary legislation and will require regulations. I will not repeat the arguments on any of those points at any length, because I addressed some of them in Committee and they have been well put today. But I am astonished that we have got to Report without, as yet, having had an adequate response to any of them.

I was rather doubtful about the charter of fundamental rights when it came before the House originally. I was a supporter of the treaty of Lisbon and I voted against my own party, with the then Government, quite frequently throughout those proceedings, as I thought the treaty was highly desirable. I am glad to say that when we came to power we showed not the slightest sign of wishing to undo any of it. The charter of fundamental rights was the bit I was least keen on, thinking it on the whole unnecessary, as it largely duplicated the European convention on human rights, and thinking that it was not going to make any difference; I did not use The Beano quote, but I could not see that it mattered very much and I went along with it reluctantly. I was wrong, as the charter has led to some extensions of rights in important areas. I cannot see why we should wish to halt that process. We have not yet got the Government’s proposals as to what they are going to do to fill the gap on things such as equalities law, which will emerge if we just repeal this.

The point I wish to make in a short speech is about what kind of answer I want from my hon. and learned Friend. He is genuinely a personal friend of mine. He is an extremely eloquent and valuable member of the Government. Obviously, as all lawyers do from time to time, he follows a brief, but I am sure he makes a considerable contribution to that brief and gives very valuable advice to those who seek to instruct him to temper what they would otherwise wish to do. So this is not at all aimed at him personally. But the Government’s approach throughout these unsatisfactory proceedings so far has been not to debate the main issues; we get raised with all kinds of technical drafting or slightly irrelevant reasons why the proposals coming from the Front Benchers on all sides cannot be accepted. So far, as far as I am aware, the Government’s case on the charter of fundamental rights is, “Well, it would not make any difference to repeal it. It hasn’t added anything. This is just unnecessary. We have singled it out, uniquely among all other EU law, simply because our tidiness of mind makes us wish to remove something that is perfectly adequately reflected in other areas.” That is not good enough.

On all three points that I have set out, the Government today, on Report, have the last chance in this House to say why they are repealing the charter, what evil it has done, what danger they think we are being protected from by its repeal and so on. I have yet to hear an example from anybody of a case where the charter of fundamental rights has been invoked in a way that anybody in this House would wish to reverse. We have not been given an example of an area of law that we have taken into despite the bitter opposition of either the Government or this House. The advances that have been made, in some cases invoking the charter, seem to me perfectly worth while, so I hope the Solicitor General’s speech will specify those areas where the Government see that damage has been to our approach to rights and to law, and what hazards they are going to prevent us from falling into by reversing the charter.

Mr Clarke: I will give way in a second; before I finish, I will give way if people insist.

Secondly, what on earth is the advantage we gain by putting in a three-month limit? The Government have taken weeks to come back with their alleged response to the points raised on the Floor of the House on acquired legal rights, and it seems we can have a concession for three months. That is utterly ludicrous. Thirdly, what is wrong here? My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) is much more of a gentleman than I, and he is much more likely to adhere to party political/social rights. There is no more stout mainstream Conservative than me, and I would say that I am sticking to the Conservative principles that I have followed throughout my life until 18 months ago, but I do think some of these things, certainly on questions of rights, are not party issues. They usually do not have a whip applied. They are matters of conscience and cut across both sides. Going back to the future powers of this Parliament, which it must have of course, to amend retained EU law as and when the political will of the House wishes to do so, what is wrong with new clause 13 and its specification of what is primary legislation and what is secondary legislation? What alternative are the Government going to come up with, other than just saying, “The Government of the day will decide as each issue arises”? They must have a better alternative than that.

Catherine West: The right hon. and learned Gentleman is making an excellent speech. Does he agree that this is the sort of amendment that the other place might just take to heart and bounce back, so it might be more sensible to have that difficult pain now and get it out of the way, and the other House will not have to return it?

Mr Clarke: I hope and believe that the other place will make an enormous number of changes to this Bill. The idea that a Bill with all these Henry VIII clauses is going to have an untroubled passage through the House of Lords is an illusion. This House just lets every extension of the Henry VIII clause principle through. The Opposition of the day being bad but then that party takes office, cites the precedents of its predecessor and defends them as the way of proceeding, and the previous Government then start denouncing them. I hope the House of Lords will throw back some of the bizarre extension of the Henry VIII principle in this Bill and some of the European things.

2.30 pm

The whole Bill has gone through under a self-denying ordinance—not all the time; the hon. Member for Nottingham East and I have not always stuck to it—that we are not talking about substance. The House has said, “We’re not going to bother very much with the future trade relationship and whether we are still in the single market or the customs union.” Well, they had better not take that view in the House of Lords. The other place is particularly full of highly distinguished lawyers. So is...
this place—there is no better lawyer in the other place than my right hon. and learned Friend the Member for Beaconsfield—but some of the lawyers there will not put up with some of this nonsense. The danger is that if the Government continue with the Bill as they have so far, they will simply take the view that, “Well, the House of Commons can reverse that. We are putting out a three-line Whip on Tuesday. We will all have a debate, solemnly nod, explain why the House of Lords has got the technicalities wrong and throw it back again.” So far, this is a pathetic Parliament in the way in which it has handled this extraordinary Bill.

Let me return to where we are now. We have debated for some time now—over many weeks—all three of the issues I raised, but I have yet to hear an argument of substance on any one of them. I trust that my hon. and learned Friend the Solicitor General will not get up and raise technicalities or say that we need more time, but actually say why we are either taking the step we are taking in the one case or, in the other, resisting the obvious improvements that have been proposed. If we do not do that, this whole Committee and Report stage will have been one of the most curious and ritual parliamentary processes that I have seen for a very long time.

Mike Gapes (Ilford South) (Lab/Co-op): I support amendment 57, tabled by my hon. Friend the Member for Bristol East (Kerry McCarthy), along with several others, but I wish to speak specifically to new clause 9, which I have tabled and which is on the saving of acquired rights in Anguilla. I do not think there has been any discussion at all of Anguilla in any of the proceedings on the Bill so far.

Before Christmas, I tabled a written question to “ask the Secretary of State for Exiting the European Union, whether the implementation phase of the UK leaving the EU will be the same for Anguilla as the rest of the UK; and if he will make a statement.”

On 22 December, I received the following answer:

“Both the EU and the UK have been clear that the Implementation Period will be agreed under Article 50 and be part of the Withdrawal Agreement. Both sides have also been clear that the Overseas Territories, including Anguilla, are covered by the Withdrawal Agreement and our Article 50 exit negotiations. In these negotiations, we are seeking a deal that works for the whole UK family, including Anguilla.”

So, there was no clarity there. It is not yet clear what is going to happen with respect to Anguilla.

Why is Anguilla important? We have debated at some length Gibraltar, which has around 32,000 residents. It is a British overseas territory that has been in the possession of the United Kingdom since the treaty of Utrecht in the beginnings of the 18th century.

Mike Gapes: Perhaps the right hon. Gentleman could walk on water.

Anguilla is economically dependent on Saint Martin. The relationship is essential for Anguilla. The northern part of the island of Saint Martin, which has been since 2007 a French overseas collective, has a population of 38,286. The southern part of the island is one of the four kingdoms that make up the Netherlands, the others being Aruba, Curaçao and the Netherlands proper. France and the Netherlands have a different relationship with their overseas territories than the UK has with ours, and that has changed the dynamics. For example, in September the massive, terrible Hurricane Irma hit the Caribbean and wiped out whole communities and destroyed whole towns. President Macron flew very quickly to visit this integral part of France, where there is a tight, close relationship with the Netherlands.

John Redwood: You could go by road.

This afternoon, the Foreign Affairs Committee, on which I serve, is discussing the overseas territories and the response to hurricanes. I hope to get to the Committee in time to hear a representative of the Government of Anguilla’s London office give evidence, but I cannot be in two places at the same time. I hope I will be able to speak in advance and ask questions later.

The population of Sint Maarten, the Netherlands part, is around 33,000, so the total population of the island to the south of Anguilla is around 75,000. It is much larger and much more important, so there are fundamental economic questions to be answered about what will happen when—if—the UK leaves the EU.

Alan Mak (Havant) (Con): The hon. Gentleman will know that my colleagues in the Department for Exiting the European Union have been engaging with Britain’s overseas territories, including Anguilla, through the Joint Ministerial Council and other mechanisms. Does he agree that that is a perfectly adequate mechanism that should continue, and that that means his new clause is not necessary?

Mike Gapes: No, I do not agree that it is a perfectly adequate mechanism. The report published by the Government of Anguilla’s London office last summer, “Anguilla and Brexit: Britain’s Forgotten EU Border”, points out how we do not give sufficient attention to the needs and requirements of our overseas territories. Let me quote just one example: the position with regard to overseas development assistance. Since 2014, we have virtually stopped giving Anguilla any overseas development assistance through the Department for International Development budget, in contrast to some other overseas territories such as Montserrat and elsewhere, and yet it is receiving assistance from the European Union. There is a big concern, which I will come to later, about what
will happen to the continued assistance that goes to Anguilla once we leave the EU. That assistance accounts for about 36% of the capital expenditure of the Anguillan Government. That huge amount comes as a result of assistance from the European Union, and it goes to Anguilla by virtue of UK membership of the EU, but once we stop paying into EU development assistance, does anybody think that the EU will continue to finance a British overseas territory when there is no longer any relationship between the UK and the European Union? These are very complicated questions.

**Mike Wood**: I thank the hon. Gentleman for giving way and for treating us to the shorter version of his speech. Does he welcome the communiqué signed by the Government and the territories, which said that the UK acknowledged “the importance of EU funding for sustainable economic development in some Overseas Territories and committed to ensuring that these interests were fully reflected in the UK's negotiating position”? Does he not think that that will be of great assistance to Anguilla and other overseas territories?

**Mike Gapes**: No. I do not; it is just words. It is all about what will happen in the negotiations. How much money are we prepared to put in? Will there be a payment into the EU budget in order to continue EU assistance to Anguilla, which does not come directly from DFID at this time? Those are interesting and complicated questions.

Like the UK, Anguilla lies outside the Schengen area, which also does not apply to French St Martin. Under EU Council articles 349 and 355 of the Treaty of Lisbon, French St Martin is classified as an outermost region of France, while Dutch Sint Maarten, Sint Eustatius and Anguilla are classified as overseas countries and territories of the EU. In 2017, in a factsheet entitled “Outermost regions”, the European Union’s Parliament stated:

“Regardless of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and the acquis communautaire is fully applicable in their territory. However, owing to their specific geographical location and the related difficulties, EU policies have had to be adjusted to their special situation.

The relevant measures concern, in particular, areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, and conditions for supply of raw materials and essential consumer goods.”

The outermost regions of the EU are specifically mandated by the EU and, as such, will require specific negotiation in the context of Brexit to take account of their needs. The problem that I face is that the Government have not given us any detail either in the written answer that I have secured or on any other basis as to what they will do to protect the interests of Anguilla. Unlike Gibraltar, Anguilla does not have an effective big lobbying operation, because it does not have a relationship with City financial institutions in the same way. It is very much dependent on tourism. One of its problems is that, because it does not have an international airport, flights go into St Martin, and, at present, at 10 o’clock at night, there is no means of transit from Anguilla to St Martin. Consequently, people have to stay in St Martin and not go across to Anguilla because of those difficulties in communication.

We need to be able to help Anguilla help its tourist industry, and the best way to do that would be within the framework of the European Union, but of course the referendum decision and the way that it is being implemented by the Government mean that that will not be possible. As a result, Anguilla faces some real difficulties and dilemmas: 95% of its access for tourism and other economic measures will be subject to deliberations between EU member states during the course of the Brexit negotiations. Its fuel and desalination capacity will be exposed to negotiations on whether tariffs are to be added to oil imports from the Dutch island of Sint Eustatius.

2.45 pm

There is a whole question about essential goods and services such as medical diagnostics, mail and the vast majority of international trade and tourism. Tourism accounts for 21% of the gross value added of Anguilla. So much about Anguilla is dependent on the relationship it has with the island to its south, and that is with the European Union. The Government have said nothing about this.

**Martin Whitfield**: I am very grateful to my hon. Friend for giving way. I do not want to interrupt his eloquent speech, but does he not agree that the irony is that Anguilla reflects the position that we will find ourselves in at the edge of Europe should we leave? Indeed, it is a concern that the Government have not given any sensible or sufficient answers to his queries, and it bodes ill.

**Mike Gapes**: Actually, I do not agree. The UK has far bigger clout in the world than a small island with a population of just 15,000. My hon. Friend is right that we will be damaged—there is no doubt about it—by self-inflicted harm, but, as President Donald Tusk pointed out today, we can of course change our minds, and if we do so he would be delighted.

The position with regard to Anguilla is potentially one of a country with a problematic border. I have referred already to that closure at 10 o’clock at night. If, once we leave the EU, relations between the UK and France become worse than they are now, how do Ministers and Government Members think that we will be able to speak for the interests of this British overseas territory when we are not able to succeed today in getting everything that it needs? We would have less influence and no seat at the table. We would not be in the room and we would not be able to say anything to help it.

I do not wish to take too long, but there are important points about peoples whose voice has not been heard in this Chamber. Between 2012 and 2014, Anguilla did receive some UK official development assistance, but it was a very small sum, amounting to only £141 per person. Since then, there has not been such support. However, Montserrat received £14,000 per person and St Helena, which is even more remote, received £66,000 per person in ODA.

Anguilla is worried that after the UK has left—if we leave—the European Union, EU initiatives that currently occur within the overseas territories will no longer continue. Anguilla understands that ODA will be vital, but that support has steadily declined and its people are worried about the threat to the European Union funds. As part of the UK Caribbean Infrastructure Fund, a
£300 million programme was announced in September 2015, in order to fund infrastructure such as roads, bridges and ports across the Caribbean, via the various banks and the Department for International Development, but Anguilla is very concerned about what will happen in the long term.

Wes Streeting (Ilford North) (Lab): Does my hon. Friend agree that this is one of a number of examples? A place such as Anguilla or an industry such as farming has no sense of certainty about how or whether the Government will replace funding that will be lost after—or if—we leave the European Union. Does he think that the Government are not being clear about the future because they have not yet worked it out, or because they fear that if people see what the situation will be after we leave the European Union, they may begin to wake up to the fact that what is on offer is very much inferior to what we have now?

Mike Gapes: I actually think, in the case of Anguilla, it is because the Government have never even thought about it. Only now are issues like this coming up to bite them. We could have had an impact assessment on Anguilla. It would be nice to know whether there was such a thing; I suspect not. The Government did not give any consideration to these issues when they triggered such a thing; I suspect not. The Government did not give any consideration to these issues when they triggered article 50, so they probably did not even consider that.

In “Anguilla & Brexit: Britain’s Forgotten EU Border”, which was published last summer, the Government of Anguilla call for four things. First, they want a “Common travel area between Saint Martin and Anguilla”, and state that “protocol 22 of the EU Treaties provides that the UK and another EU member state may continue to make arrangements between themselves for the free movement of people within the CTA.”

The same model is adopted for Ireland because of the historical relationships. A common travel area would be a way to prevent an economic and social disaster for Anguilla. In practice, it would mean free movement of nationals of the French and Dutch St Martin and Sint Maarten, and Anguilla, between those islands with a “frictionless border without the need for passport control.”

It would also allow visitors flying into St Martin from any country in the world to go to Anguilla easily as tourists.

Secondly, the Government of Anguilla call for a customs union in the region “with European countries, territories and municipalities in the eastern Caribbean.”

There has been a lot of talk about customs unions. I do not wish to repeat the debate that we have already had, as this issue will come back, but a customs union between the European Union territories in the region, the other countries in the region and the overseas territories of the United Kingdom could be really helpful in the Caribbean. Anguilla imports oil and other essential materials that it cannot exist without. It also exports fresh produce, which is predominantly sold to St Martin. There is therefore a real need for some kind of customs relationship that avoids tariffs and barriers.

Thirdly, the Government of Anguilla call for a “Continued relationship between the UK and EU for the purposes of international development”, as well as,

“Continued membership of the Overseas Countries and Territories Association of the European Union of Anguilla with full access to European Development Funds and support”.

Now, that may come at a cost. Are the British Government prepared to pay that cost in the negotiations? If they do not there will, as I have already suggested, be a major impact on the Anguillan economy and future development.

Fourthly and finally, the Government of Anguilla are looking to “Stronger ties between Anguilla and Britain”.

This country has neglected our overseas territories for far too long. We do not give them the status that overseas territories have in France or the Netherlands. There is a wider issue that is not just about Anguilla and on which the Select Committee on Foreign Affairs may well comment after we have completed our current inquiry: we need a better ongoing relationship with these small communities of 15,000 people whose association with the United Kingdom goes back to the 17th century—longer, as I pointed out at the beginning, than the association of Gibraltar with the United Kingdom.

John Redwood: I strongly agree with the hon. Member for Ilford South (Mike Gapes) that the United Kingdom could strengthen her links and ties with Anguilla and could be very supportive as we go through Brexit. I trust that those on the Government Front Bench have listened carefully to what he has been saying. As far as I know, they have good will towards Anguilla. He mentioned some positive ideas about how the UK can help more and develop that relationship, which I welcome and which I suspect the Government may welcome.

I will respond briefly to the remarks of the hon. and learned Member for Edinburgh South West (Joanna Cherry). In her remarks—we have heard this in the many SNP speeches during the debates on the Bill—she referred again to the way in which Scottish voters had a different view from UK voters as a whole on the referendum and she implied that that had great constitutional significance. I urge her to think again. I pointed out to her that, had Scotland voted to be independent in its referendum, I do not think it would have mattered at all if, in a subsequent election—I think that there would probably have been one quite quickly—a lot of people in England had voted the other way and said, “No, we’d like Scotland to stay in.”

Joanna Cherry: Will the right hon. Gentleman give way?

John Redwood: If the hon. and learned Lady lets me finish my point, I will let her intervene. I would have thought that the result of the Scottish referendum was binding and, although I deeply want to keep the Union together, I would have felt that it was my duty to see the wishes of the Scottish people fully implemented because those were the terms of the referendum. She seems to be implying that it should have been otherwise.

Joanna Cherry: The right hon. Gentleman has unfortunately forgotten that the Scottish referendum was preceded by the Edinburgh agreement between the British and Scottish Governments, which said that the outcome of the referendum would be respected by both sides. I think that he is rather trying to deflect attention from the issue at hand today by harking back to this.
3 pm

**John Redwood:** I fear that it is very relevant, and probably even more relevant to what we are going on to debate in the next group of amendments—and the hon. and learned Lady did raise it as an important part of her case on how we handle EU law. I feel that SNP Members want to recreate the European Union in every way they can by amending this Bill, which is actually about us developing a new relationship—a very positive relationship—with the EU from outside the EU. That means changing some of the legal ties that currently bind us to the EU, while the many that we do not want to change come under our control so that future votes of the British people, and Parliaments, could make a difference if they so wished. That is the very important thing that we are debating. She has to accept that just as, had the Scottish people voted to leave, we would all have accepted the verdict and got on with it, against our wishes, now that the United Kingdom’s people have voted to leave the European Union, the whole Union has to accept that democratic judgment.

**Joanna Cherry:** Is the right hon. Gentleman really suggesting that the outcome of the 2014 referendum means that henceforth in this Union the views of the Scottish people can be blithely ignored on all occasions? Is that his view? I am sure that Scottish voters watching the television would love to know that that is what he saying.

**John Redwood:** Absolutely not. Scottish voters’ views matter very much. They have a privileged constitutional position, which we are all happy with, such that in many areas Scotland makes her own decisions through her own Parliament. However, when it comes to a Union matter, I thought we all agreed that where we had a Union-wide referendum, the Union made the decision and the Union’s Parliament needs to implement the wishes expressed in the referendum. That is why Members from every party in the House of Commons, apart from her party and a few Liberal Democrats, decided, against their own judgments in many cases, that we needed to get on with it, send the article 50 letter and give this Bill a good passage. We are bound by the wishes of the British people as expressed in the referendum.

**Charlie Elphicke:** Does my right hon. Friend detect, as I do, a tendency in SNP Members, which reaches its pinnacle in the hon. and learned Member for Edinburgh South West (Joanna Cherry), not to accept the results of any referendum held in this country? They reject the alternative vote referendum result, they will not accept and respect the Scottish referendum result, and now they are trying to countermand the European referendum result. I really think it is high time that they accepted the decisions made in referendums in this country.

**John Redwood:** That is extremely good advice. I find myself in a rather different position from the hon. and learned Lady. She finds herself in a position where every time there is a referendum in Scotland or the UK, she is on the losing side, whereas I have found that I am usually on the winning side. I seem to be much more in tune with the people. I agreed with the people’s judgment on grammar schools when we had a referendum on that, I agreed with their view on the voting system, I agreed with the Scottish people’s judgment on staying in the Union, and I very much agree with the United Kingdom electors’ judgment that we should leave the European Union. The people are often much more sensible than their Parliament wishes them to be, and it is great when Parliament then has to listen to the people and get on with doing the job.

The main point that I wish to make is in response to my right hon. and learned Friend the Member for Beaconsfield (Mr Blackett), who tried to tackle the scholarship-level question that underlies our debates on this group of amendments—whether we can transfer all EU law into good British law, or, in practice, end up having to accept some European law because of the complexities involved. In my brief exchange with him by way of intervention, I pointed out that the rights of the British people have their best defence in the common sense and voting strength of the British people, that that will be reflected in their elected Parliament, and that if their elected Parliament gets out of line with the will of the United Kingdom voters, then the voters will, at the first opportunity, change the composition of the Parliament until it reflects the wishes of the United Kingdom voters on the matter of rights.

My right hon. and learned Friend countered by saying that taking my view would mean that we only ever had common law and Parliament would never need to legislate. That is a silly caricature of the true position. We all know, I think, that it is very difficult to define eternal, immortal rights. Some rights last for longer and are more important than others, but people find it very difficult to define that. Looking back over past statements of rights over the centuries, one sees that some of them now grate or are clearly very much against our view of what a right should be, whereas others may last for rather longer. Quite a lot of statements of rights have a big component related to what is topical or socially acceptable at the time. We are largely pleased that what is socially acceptable evolves, so there are many bad practices of the past that we have come to see were bad practices, and that has been reflected in new legislation. We always need to legislate to reflect changing perceptions about what is a right and which rights we should give most cognisance to.

**Antoinette Sandbach:** Of course, the charter is an excellent example of these rights. It incorporates rights on data protection and other issues, as has been described in the debate. Would it not make sense to incorporate it into UK law and allow it to be changed at a later date through the kind of evolution that my right hon. Friend is describing?

**John Redwood:** These rights have been incorporated into UK law because we have shared quite a lot of them before they were codified in the way they are codified and because, subsequent to their codification, they have helped to inform our debates about amending, improving and strengthening the law. No, I do not think it is a good idea to incorporate the charter of rights as though it had some special significance. Interestingly, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) stated that when the charter first came forward in the Lisbon treaty, he tended to the “Beanie” view of it—that it was not very significant. He did not think it was a strong part of the treaty and was not very keen on it, and was therefore quite happy with the Labour Government treating it differently and exempting...
us from parts of it deemed inappropriate. Now, he gives it greater significance and implies that it is dreadful that we will not be incorporating it, as though it has been transformed between the date when we first considered it as part of the treaty and its current presence.

My view is that the British people and their Parliament will adopt all these good rules, and have done so, informing many of our laws. If there are other laws that need strengthening or improving, that is exactly what this Parliament is here to do, and if we are negligent in that matter, the British people and their lobby groups will make sure that our attention is drawn to whatever may be missing or could be improved. I would say to the House of Commons, let us remember what we are doing. We are taking back control. Where we need to strengthen or highlight rights by legislation, that is something that any of us can initiate, and if we can build a majority we can do it. There are many good examples of rights and laws emanating from back Bencher or Opposition parties as well as from Governments.

My right hon. and learned Friend the Member for Beaconsfield said, wrongly, that I was trusting the Executive too much. That is not usually a criticism that has been made of me. Whereas I often find myself in agreement with the people in votes in referendums, I have often found myself in disagreement with parties in this House, including my own party, on matters of some substance, and I have not usually been shy—but I hope polite—in pointing out where I have those disagreements. I therefore reject his idea that I am trusting the Executive. I said very clearly in my intervention that I was trusting the United Kingdom electorate and their successive Parliaments. If one Parliament does not please or suit, or does not do the right thing on the rights that the public want, a new Parliament will be elected that will definitely do so.

My right hon. and learned Friend the Member for Rushcliffe reminded us that we have had a lot of debates about Henry VIII powers, which are relevant to this group of amendments on how much European law we incorporate. I find this argument one of the most odd. One of my main problems with our prolonged membership of the European Union was that large amounts of legislation had to go through this House unscathed, and often little remarked on or debated, because once they had been agreed around the European Union table in private, they were “good law” in Britain. If those laws were regulations, they acted directly, so we could not even comment on them. If they were directives, we had a very marginal ability to influence the way in which they were implemented, and the main points of the law went through without any debate or right to vote them down. That was the ultimate Henry VIII approach. In the case of this legislation, after extensive dialogue and discussion, we are talking about very narrow powers for Ministers to make technical adjustments and improvements. All of it is of course in the context of the right for Parliament to call anything in, debate it and vote on it.

Vicky Ford (Chelmsford) (Con): I am interested in the issue my right hon. Friend raises about our not being able to scrutinise European law in this Chamber before it was approved over there. In other Parliaments, such as the Dutch Parliament, specialist committees scrutinised proposals before they reached the European Parliament; for example, the telecoms committee in the Dutch Parliament would scrutinise telecoms law before it got to the European Parliament. As we take our own law, would it not be helpful to use the specialist committees more on the detail?

John Redwood: We had 45 years to get that right, and I think my hon. Friend would probably agree with me that it did not happen in the way she now says she wished it had. When I was the single market Minister, I tried to do this. I brought draft proposals to the House to try to get comment before I went off to negotiate. I felt that that was the only time it was worth hearing Parliament’s view because there was still the chance of trying to change things. If Parliament agreed with me that the draft was very unsatisfactory, it was marginally helpful to be able to say to the EU, “By the way, the United Kingdom Parliament does not like this proposal”, although the EU did not take that as seriously as I would have liked it to. The truth was that we could then be outvoted, under a qualified majority voting system, and we often were if we pushed our disagreement, so the views of Parliament mattered not a jot, even if we did the decent thing and invited Parliament to comment before the draft was agreed.

As my hon. Friend must know, once a draft was agreed, if it was a regulation, that was immediately a directly acting law in the United Kingdom and this Parliament had no role whatsoever. If it was a directive—directives can be very substantial pieces of legislation—we could not practically change anything in that law. Whatever Parliament thought, it had gone through.

Richard Drax (South Dorset) (Con): I sit on the European Scrutiny Committee and have done so for some time. I can confirm that, although we briefly look at all the laws coming into this country, we certainly do not have the time to scrutinise them. I can assure the House that the House does not have the time to do so either.

John Redwood: There is also the point that, if we are scrutinising that after it has happened, that is not a lot of use. That can alert Parliament and the public to problems that the new law might create, but if it has been agreed under the rules, it is law and we have to do the best we can and live with it.

Having sat through quite a few debates on the Floor of the House—in Committee, and on Second and Third Readings of Bills—while being a Member of Parliament, I do not think I have ever seen a Bill that has been so extensively debated, dissected, discussed, analysed and opposed. A huge amount of work has gone in to proposing a very large number of detailed and rather general amendments, discussing the philosophy, principles and technical matters in considerable detail.

Sir Oliver Letwin (West Dorset) (Con): Before he moves on to another point, does my right hon. Friend agree that the narrowness of the Henry VIII clauses has actually been very considerably intensified by the amendments tabled on Report to clause 7(1) and 7(2)?

John Redwood: Yes, I agree. I think the Report stage may even produce some agreement between my right hon. Friend, me and our right hon. and learned Friend
the Member for Beaconsfield that improvements have been made in that respect, with some powers for Ministers being narrowed and the House having an even bigger role. I am perfectly happy that that has happened.

The wider point I want to make is that this very extensive, forensic and thorough discussion could be a model for other legislation. It is interesting that MPs on the whole do not get as interested in other legislation as they have done in this Bill. The Lords should take into account the fact that, on this occasion, the Commons has done its work very extensively and thoroughly, and has considered a very wide range of issues in amendments. I am sure that the Lords will take that into account when it comes to have its important deliberations on this legislation.

3.15 pm
After all, this Bill should not be that difficult or divisive. To remind everyone, what it does is to keep all the European laws that we currently have as they are, so that there is legal certainty. As someone who believes that Brexit will be very positive and good for this country, I wish us to go on and make major changes to our fishing laws, our farming financial system and our VAT system, which we are not allowed to do under European law—we are not allowed to take VAT off things that should not be charged VAT, for example. There are quite a few positive changes I want made to our law codes. We can do so once we have taken back control. On this Bill, however, everyone should be reassured because all the things they love about European law are simply being rolled over into British law.

Several hon. Members rose—

Mr Speaker: Order. Several colleagues are now seeking to catch my eye, but I emphasise that the Minister must also have a decent amount of time in which to respond. I therefore urge colleagues to be brief in their contributions, while of course covering what is necessary.

Caroline Lucas: I rise to speak to new clause 7, which is in my name and is supported by Opposition Members. I hope to push it to a vote. The new clause would transfer article 13 of the Lisbon treaty into UK law, so that the obligation on the Government and devolved Administrations to pay due regard to the welfare requirements of animals as sentient beings when formulating law and policy is not lost when the UK leaves the EU.

You will be glad to hear that I can be brief, Mr Speaker, because there is no need to set out again the case for transferring this obligation under EU law into domestic law. In Committee, the then Justice Minister, the hon. Member for Esher and Walton (Dominic Raab), rejected my similar new clause and, I would suggest, inadvertently misspoke in the House in the process by stating that the obligation on the Government and devolved Administrations to pay due regard to the welfare of animals as sentient beings when formulating law and policy is not lost when the UK leaves the EU. In other words, that a Bill to transfer the body of EU law into UK law is not the right legislative vehicle for the new clause: in other words, that a Bill to transfer the body of EU law into UK law is not the right legislative vehicle to transfer an important piece of EU law into UK law. To me, at least, that does not make sense.

Lady Hermon: I am very pleased to speak in support of the new clause brought forward, once again, by the hon. Lady. I am particularly pleased to see that it extends not just to Ministers in this Parliament, but to those in the devolved institutions. My one concern is that the wording could have been stronger by creating an obligation to uphold respect for animal sentience, rather than just having due regard to it.

Caroline Lucas: Yes, in theory, I agree with the hon. Lady that the wording could be stronger. I was trying to be careful to avoid an accusation of gold-plating EU legislation, so I simply looked at the wording of article 13 and tried to bring that over from EU law into UK law. If we were starting again, I certainly agree that we could make the wording stronger.

Huw Merriman (Bexhill and Battle) (Con): Does the hon. Lady not agree that we can do better on animal welfare than the EU currently allows us to do? For example, making foie gras is prohibited in this country, but we cannot stop it being imported from countries in the EU that make it, such as Belgium and France, because that would be against the free movement of goods. Does she not agree that the Conservatives are now putting in place tougher sentencing for animal welfare breaches, and we should focus on that, rather than looking at the past?

Caroline Lucas: I agree with the hon. Gentleman that the new laws on sentencing are certainly to be welcomed, but I do not see why we need to see this as an either/or. I am trying to make sure that there is no legislative gap, because I do not have confidence—perhaps Conservative Members do—that the new Bill is likely to be on the statute books by the time that we leave the EU, if that is what happens. I want to make sure we have legislative certainty—belt and braces—by putting my new clause in the Bill.

We can have a big debate about the extent to which the EU has promoted animal welfare. I would argue that usually the reason that animal welfare has not been promoted while we have been a member of the EU is the lack of political will here, rather than that the EU itself has prevented it. I take the point about the rules of the single market, but cases can always be made for exceptions—for example, on seal fur. If enough political energy is expended in the EU, such derogations can be achieved. We could have done the same on issues such as live animals, but we chose not to. Indeed, as the hon. Member for Bristol East (Kerry McCarthy) said, the Government have a record of not supporting tighter
legislation on the live animal transport trade. So I will not stand here and listen to Conservative Members pretending that their new-found detoxification strategy for the Tory party is a reflection of a long-held belief in animal welfare.

Tom Brake (Carshalton and Wallington) (LD): Does the hon. Lady agree that a bird in the hand—her proposal—is much better than two in the bush? It would be cruel to pretend that their new-found detoxification strategy does not stand here and listen to Conservative Members.

Caroline Lucas: I am happy to agree with that intervention.

In case a Conservative Member is about to embarrass themselves by repeating the spectacularly stupid suggestion yesterday by the Guido Fawkes website—[Interruption.] Yes, I know that is not hard to believe. It suggested that new clause 7 would weaken animal sentence law because article 13 of the Lisbon treaty applies to only six policy areas, whereas the Secretary of State's Bill would apply to all Government areas. Leaving aside that it is hard to imagine a Government policy relating to animal welfare that does not fall under one of those six policy areas, which are pretty broad, the point is that we have no domestic animal sentence law to weaken. We have a hastily cobbled together draft Bill that may, or may not, become a substantive Bill that reaches the statute book before 29 March 2019—or ever.

It is this Bill that will weaken our animal welfare law by failing to transfer into UK law the obligation on the Government set out in article 13 of the Lisbon treaty. As I said in reply to the hon. Member for North Down (Lady Hermon), had I tabled an amendment that in some way added to or strengthened the obligations set out in article 13, Ministers would no doubt have rejected it on the grounds that I was trying to gold-plate EU law, which is not the purpose of the Bill. If new clause 7 were accepted, nothing would stop the Secretary of State's draft Bill subsequently addressing any real or perceived weaknesses in the wording of article 13, and that would have my support. But let us not be left with a gap in the legislation. The real risk is that, because of the volume of legislation with which Whitehall and the civil service are having to grapple, a new Bill would not come forward in time to plug any gap after we leave the EU. That is why my belt-and-braces approach would make sure that we have this legislation safely included in UK law.

In the past, the right hon. Member for West Dorset (Sir Oliver Letwin) has called this solution inelegant. Yes, it is a bit inelegant, but I would rather be inelegant and effective than elegant with a big gap in the legislation. Let us stop playing political games with a draft Bill that may, or may not, get anywhere near the statute book. Let us do what the Secretary of State clearly wished to do himself as recently as July last year, when he was asked whether he wanted to include article 13 in the Bill—he said of course he did. There can be no better legislative vehicle right now to transfer article 13 of the Lisbon treaty into UK law than the Bill, which exists to transfer EU law into UK law. I therefore commend new clause 7 to the House.

I also wish to put on record my support for amendment 57 and new clause 19, tabled by the hon. Member for Bristol East. The amendment would preserve more comprehensively than clause 4, which it would replace, the rights, powers, liabilities, obligations, restrictions, remedies and procedures derived from EU law and incorporated into domestic law by the European Communities Act 1972. As the hon. Lady has already made clear, there are weaknesses in clause 4, as a result of which some provisions in EU law are at risk of being lost. She gave several examples, and I want to add one more. Unless amended, clause 4 could result in the loss from EU retained law of provisions that detail the aim and purpose of directives such as article 1 of the environmental liability directive, which includes reference to the polluter pays principle, and article 1 of the habitats directive, which specifies that the aim of the directive is to contribute towards biodiversity conservation.

New clause 19 would remove the risk of transposition gaps in retained EU law. It is simpler and more comprehensive than clause 4, and it would ensure that the rights arising from EU directives are preserved and a mechanism would be in place after exit day to deal with problems arising from the incorrect or incomplete transposition of EU law. I hope that Ministers will accept the amendment and new clause.

Anna Soubry: It is a pleasure to follow the hon. Member for Brighton, Pavilion (Caroline Lucas), although I will not support her amendments. In fact, I will not support any amendments other than those tabled by the Government. The Bill will leave this place in much better shape than when it was first introduced, but it is still not fit for purpose, frankly. As hon. Members said on Second Reading, we need a mechanism to move all our existing law into domestic law, but the many faults in the Bill have been well rehearsed by my right hon. and learned Friends the Members for Beaconsfield (Mr Grieve) and for Rushcliffe (Mr Clarke). I wholly agree with them; I endorse their arguments; and I do not intend to repeat them.

Many changes are still needed, but it will be the other place that will make good some of the faults that remain in the Bill. We are not trying to abdiccate the responsibility for doing so, because that is simply the way it is, and has been, sadly, for some time. Many right hon. and hon. Members on both sides of the House share our concerns, but given the nature of the political situation they have not quite gone the extra step to defy a three-line Whip or to be seen as disloyal to their leader. Many people do not want to undermine the Prime Minister as she enters the difficult next stage of negotiations with the European Union, but it will be important, when the Bill returns to this place, that we all have the courage of our convictions and put our country's interests at the front of all that we do. We need to get the best piece of legislation because it is so important.

There is every chance that in the next few months the sands will begin to shift as people begin to understand and appreciate that we have made an error in taking options off the table—or never putting them on in the first place—notably in the speech that was made almost a year ago, when the Prime Minister said that the single market and the customs union were coming off the table. Those red lines have not helped, and they will not
help us in the forthcoming negotiations. All options need to be placed back on the table—and I mean all options. That includes the ability of the people—it must be the people—of this country to determine the future of Brexit. It must remain with them, and they must drive it. That must be taken into consideration as the Bill moves up into the Lords and then comes back here.

Finally, this place voted, as we know, for amendment 7, and the Government lost that vote. If new clause 9, which many say has now become otiose, falls or is abandoned by the Government when the Bill passes into the other place, it must be made absolutely clear that, even in that event, this place wants a meaningful vote on the final deal and in good time—not some rubber stamp or some deal or no deal, but a proper, meaningful vote. That must be determined by elected representatives and by the people and in the interests of the people—in the interests of not just my generation but my children and my grandchildren, who I hope will come—so that we do this properly, putting the people in charge and doing the best thing for our country.

3.30 pm

Bambos Charalambous (Enfield, Southgate) (Lab): I will be supporting amendment 57 and other provisions. I rise to speak to new clause 16, which is in my name. I will not be pushing it to a vote, because it is a probing provision.

The new clause seeks to ensure that there is no regression in our equality protection as we leave the EU and following the repeal of the charter of fundamental rights. That principle has already been agreed by the Government, so there should be little controversy about supporting new clause 16. Hon. Members were promised that the Government would introduce an amendment that required Ministers, on the presentation of any Brexit-related primary or secondary legislation, to make a statement before the House on whether and how it was consistent with the Equality Act 2010. While the Government may try to make out that amendment 391 covers that point, I do not believe that it properly addresses the issue of primary legislation—a point eloquently made by the right hon. and learned Member for Beaconsfield (Mr Grieve).

For that reason, I have tabled new clause 16. We cannot allow any regression in, or diminishing of, our equality protections and rights when we leave the EU. I totally disagree with hon. Members who have suggested that we should just trust the Government to get this right. The equality protections and human rights referred to in new clause 16 have been hard fought for, and we cannot allow them to be put at risk. I commend new clause 16 to the House.

Antoinette Sandbach: I rise to support the speeches made by my right hon. and learned Friends the Members for Beaconsfield (Mr Grieve) and for Rushcliffe (Mr Clarke). The idea that three months is sufficient protection in terms of somebody launching a legal action, while a welcome concession from the Government, does not go far enough. I urge the Government to listen to the proposal to retain the Francovich right throughout the transition period or implementation period—however it is described.

I also support the points made on the charter of fundamental rights. When the charter was brought into effect, it said that it codified existing rights—rights that UK citizens already had. I know that the Under-Secretary of State for Exiting the European Union, my hon. Friend the Member for Fareham (Suella Fernandez), takes a different view. I do not really care which view is right; the fact is that we have moved on as a society, and these protections have now become important in UK law. I would very much urge the Government to consider that when approaching this matter in the Lords.

Finally, it is eminently sensible that the Government look at new clause 13, which will not be moved to a vote today. It provides a very good mechanism for distinguishing between primary and secondary legislation in terms of the appropriate protections that will apply to UK citizens. I do not want my constituents to be in a worse position in a few years’ time than they are in now when it comes to their rights, so I urge the Government to listen to the debate today—I know they have their listening ear on.

Several hon. Members rose—

Mr Speaker: I call Stuart C. McDonald—fairly briefly. The hon. Gentleman has amendments down and must be heard, but I know he will be sensitive to the importance of the Minister having adequate time to respond to all that has been said, so I am sure that he will be on his feet for only a small number of minutes.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): Thank you, Mr Speaker. I want to speak briefly to amendments 55 and 56 and to probe one simple issue: in short, what happens if there is a failure to correct a deficiency in EU law, so that it cannot operate effectively after exit, and how can we maximise the chances that such a thing does not happen?

We have had plenty of debate on how we can restrict Government powers to correct deficiencies so that such powers cannot be used to undermine the incorporation of EU rules and so that we do not end up with some sort of watered-down or dysfunctional version of the original. However, perhaps the more realistic possibility, and just as much of a danger, is that we end up with a watered-down or dysfunctional version of EU rules not because of the inappropriate use of those powers of correction, but because of a failure to use them at all in appropriate circumstances, either by accident or design, or if various incorporated rules and regulations are simply allowed to fester away uncorrected and unable to operate effectively. So, I asked at Committee stage, “What happens if there is a citizen before a court in this country, seeking to establish rights under retained EU law when that retained EU law is actually riddled with deficiencies? Is the court supposed to try and make that work? Does the person simply lose their ability to exercise that right?”

My amendment 55 simply requires the court to interpret retained EU law—as far as possible—in such a way as to make it function effectively, borrowing shamelessly from the language of the Human Rights Act. I fully acknowledge that that in itself would not take us very far, but it is there to prompt a response from the Government. What should the court do in those circumstances? There are alternative courses of action that this Parliament could take, not just in amending
clause 6 but in other parts of the Bill. We could expressly require EU law to be interpreted so as to be given effect “as if the UK were still a member state”, with further provisions about how that should be done. We could put in place a procedure to allow courts to flag up rules that they have found cannot operate effectively. We could put Ministers under an obligation or a duty to ensure that retained EU laws operate effectively; indeed, amendment 57 and new clause 19 are of that nature. Alternatively, as amendment 56 suggests, we could simply require the Government to publish a list of all the deficiencies they found in retained EU law that they are not seeking directly to rectify.

In short, the task of ensuring that we have a functioning rule book or statute book on exit day is twofold. Parliament must protect important rights, not only by preventing inappropriate use of Henry VIII powers, but by providing a means of ensuring that deficiencies are rectified where necessary, either by the Government, or by Parliament or by our courts, and I still think we have a long way to go in that regard.

The Solicitor General: I wish to speak in support of amendments 37 and 38 in the name of my colleagues in Government.

I will try and answer the question that was put to me by my right hon. and learned Friend for Rushcliffe (Mr Clarke), who has been getting frustrated in these debates about the somewhat technical nature of ministerial responses. Well, this is a very technical Bill. Like its illustrious predecessor, the European Communities Act 1972, it is a Bill of constitutional importance; it is a framework Bill. It is not—I stress this, because it is most important—it is not a Bill that seeks to convey a policy or a particular aspect of policy that we have discussed today. It is a framework that is designed to ensure that the law that is applied up to exit is downloaded in as clear and proper a way as possible because, to be consistent with the rule of law, the law needs to be accessible, it needs to be clear and it needs to be well understood. That is the fundamental basis of my concern about today’s amendments—that in seeking to retain the charter of fundamental rights in domestic law after exit, not only do we sow potential confusion but we fundamentally misunderstand what that charter means in the first place.

Sir Oliver Letwin: The Government have introduced welcome amendments to clause 7. While my hon. and learned Friend is saying that he and I and others debated in Committee. My right hon. and learned Friend took on the charter back in 2007 is the right one. As I was saying, it is in the interests of maintaining the rule of law that we maintain clarity, consistency and a clear authoritative source for those rights. My genuine concern about the importation of this particular charter into our domestic law is that we will sow confusion. That is not good for the maintenance of the rule of law, for the citizens of our country, for the future development of the law or for the position of this place vis-à-vis that development.

The Solicitor General: The position that my right hon. and learned Friend took on the charter back in 2007 is the right one. As I was saying, it is in the interests of maintaining the rule of law that we maintain clarity, consistency and a clear authoritative source for those rights. My genuine concern about the importation of this particular charter into our domestic law is that we will sow confusion. That is not good for the maintenance of the rule of law, for the citizens of our country, for the future development of the law or for the position of this place vis-à-vis that development.

Vicky Ford: Will my hon. and learned Friend give way?

The Solicitor General: I will not; I am developing my argument. It was a point that was made clear, not only in the charter itself but in protocol 30, which was signed by Poland and the UK at the time of the Lisbon treaty. In addition—this is important, and this, it seems to me, having listened carefully to the debate, is not understood—the charter does not apply to member states in everything they do. Although it applies to the EU and its institutions in all areas, it binds member states only in so far as they are acting within the scope of EU law. Therefore talking about the charter in a domestic context misunderstands its purpose and point: it was not drafted in that context. I am afraid that there has, I think, been a regrettable misunderstanding about that in this debate.

Mr Grieve: I do not think I have been under any misunderstanding at all. That is why I have kept pressing the Government to leave the charter to one side but look at the general principles of EU law necessary to bring challenges to retained EU law, brought into our own domestic law, that was not enacted by this Parliament—and without which, frankly, the coherence of EU law starts to disintegrate. That is the issue. Linked to that, of course, is the other issue of protecting some of those fundamental rights, perhaps in a different way, that matter to so many on both sides of the House.

Mr Kenneth Clarke: My hon. and learned Friend kindly said that he would try to answer my question. The question was: what harm has the charter of fundamental rights done and what evil is he trying to avert? It is true that, unexpectedly, new rights have been created under the charter and he is right that those rights have relevance to EU law. But the whole point of the Bill is to retain large amounts of EU law and its principles. What is the point of the change? This is policy in this Bill—it is a policy change. I fear that it is a signal to some sections of my party: the only part of the acquis communautaire that will be abolished mentions the wicked words “fundamental rights”, and that is why it is being removed.

The Solicitor General: The position that my right hon. and learned Friend took on the charter back in 2007 is the right one. As I was saying, it is in the interests of maintaining the rule of law that we maintain clarity, consistency and a clear authoritative source for those rights. My genuine concern about the importation of this particular charter into our domestic law is that we will sow confusion. That is not good for the maintenance of the rule of law, the citizens of our country, for the future development of the law or for the position of this place vis-à-vis that development.

Sir William Cash (Stone) (Con): I entirely endorse what my hon. and learned Friend is saying, not least because of the acquis itself. Secondly, there are the
adjudications under the European Court itself. Thirdly, the charter is like a legal ectoplasm: it seeps into everything. There is no way in which we would ever be able to extract ourselves from the entirety of the provisions in perpetuity.

The Solicitor General: I am grateful to my hon. Friend, who raises a genuine concern about the impact of protocol 30. Many Opposition Members were here 10 years ago; they were anxious then to make sure that the protocol was included in the Lisbon treaty. They are now happy to reside from that position and take an entirely different view. I take great issue with that: the legal principles were the same then as now. Nothing has really changed about the potential force of the charter, so I am rather bemused to hear about that volte-face on the part of many Opposition Members.

Lady Hermon: I am grateful to the Solicitor General for giving way, particularly given that from a sedentary position earlier he described an intervention of mine as rubbish—but let us slide away from that. As he will know very well, human rights were an essential component of the Belfast agreement, and the protection of human rights was at the core of the Patten reforms of the Royal Ulster Constabulary. For the people of Northern Ireland, therefore, the protection of human rights is essential. By repealing the charter of fundamental rights—not the convention, the charter—we are sending out an extremely negative message to the people of Northern Ireland. Can he offer reassurances on that point?

3.45 pm

The Solicitor General: I certainly can. First, we are not repealing anything. Secondly, the dog that has not barked in this debate is the European convention on human rights, which is much supported by both sides of the House, very much part of our law and a fundamental part of the underpinning of many of the human rights—

Joanna Cherry rose—

The Solicitor General: I know that the hon. and learned Lady treasures and rightly places great value on those human rights. I give way to her.

Joanna Cherry: Can the Solicitor General confirm once and for all that reports that the Prime Minister wants to run the next Tory party general election campaign on a pledge to repeal the Human Rights Act and withdraw from the convention are incorrect? [Interruption.] Conservative Members roll their eyes and make a noise. I am giving him the opportunity to confirm that that is incorrect.

The Solicitor General: May I just calm the hon. and learned Lady? [Interruption.] Well, she is making a point that is frankly not the case. We have committed to supporting our membership of the European convention throughout this Parliament, and that is a position I entirely support.

Joanna Cherry: What about the next Parliament?

The Solicitor General: The hon. and learned Lady seems to be very focused on future referendums and the desire to rerun arguments that were held some time ago. I want to do justice to her amendments as much as to anybody else’s, and I will say this about the amendments posited by her and the Labour party: they offer different visions of how challenge might be mounted by using the charter. Amendment 4, which stands in the name of the Leader of the Opposition, deals with a situation akin to that under the Human Rights Act, whereby a declaration of incompatibility can be given, but that does not guarantee full redress for individuals seeking it under the charter. I accept that the amendment in the name of the hon. and learned Lady goes further and would retain a power in effect to strike down legislation if it is incompatible with the charter. I simply say to both of them, with the greatest of respect, that their approaches work against the core aims of the Bill. We are leaving the EU, and there has to be certainty about the process; and certainty in the law lies at the heart of everything else we have to do. That is the simple reason why we cannot accept those amendments.

I was interested in the arguments of the hon. Member for Bristol East (Kerry McCarthy) about clause 4, when she moved her amendment 57? and spoke to her new clause 19. My argument about clause 4 is simply this: indeed, as the sweeper clause—the description she adopted—it has the important function of curing any loopholes that might exist in European law when we leave the EU and deals with the question of uncertainty that I know she is extremely concerned with. I will try to reassure her. She will remember that the explanatory notes contain a helpful and non-exhaustive list of the type of directly effective rights, such as equal pay—a very important right—that are designed to be covered by this important provision in clause 4. As I have said in evidence in another place, we are simply seeking to ensure the important principle of reciprocity in the enforcement of fundamental rights such as those of equality, which she referred to, and those pertaining to the environment, for which I know she also has a great passion.

In conjunction, I can deal with the hon. Member for Enfield, Southgate (Bambos Charalambous), who succinctly and clearly made his argument on new clause 16, which deals fairly and squarely with equalities. We have already made our commitment clear that all the protections in and under the Equality Acts of 2006 and 2010 and the equivalent Northern Ireland legislation will continue to apply once we have left the EU. In Committee, we tabled an amendment which would secure transparency in that regard by requiring ministerial statements to be made about any amendments made to the Equality Act through secondary legislative powers under the Bill.

What concerns me about new clause 16 is that it would go further by creating new free-standing rights, perhaps even more than have been proposed in amendments relating to the charter. That is not the purpose of the Bill. The Bill is about maintaining the same levels of protection on the day after exit as on the day before. It is not a vehicle for substantive legislative changes such as those that have been proposed, and for that reason we cannot accept the new clause.

I am grateful to my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) for his qualified welcome for the Government amendments. The reason
for a three-month time limit analogous to that which exists in domestic judicial review is the important policy consideration that there must be a degree of certainty when it comes to ongoing litigation and dispute about EU law as we enter the post-exit era. I think there must be some resolution of that by way of a limitation period. Retaining an open-ended right of action would create more uncertainty for businesses and individuals about rights and obligations.

After we cease to be a member of the European Union, it would not be right to allow “general principles” challenges to Acts of Parliament to continue, because that is not in line with the purposes of Brexit. To put it simply, outside the context of EU law, the ability of courts to disapply Acts of Parliament on “general principles” grounds is not consistent with the way in which our domestic legal system functions. That must be at the heart of our policy considerations.

Mr Grieve: My hon. and learned Friend’s argument would make more sense if the Government had not decided to retain the principle of the supremacy of EU law in the Bill. Once they have done that, removing the mechanism of a challenge on the basis of general principles creates something that I think is rather odd. I would not have pressed the issue if the Government had adopted an alternative approach, but that was their own decision. This has, I think, highlighted some of the oddities of the way in which the matter has been approached. It may well be that they can be sorted out in the other place, but I think my hon. and learned Friend must acknowledge that they are odd.

The Solicitor General: I hope that my right hon. and learned Friend is allowing me to intervene on his intervention. Let us not forget that we are dealing with the pre-exit situation. The EU acquis is being frozen, in the sense that its full effect in a pre-exit sense must be maintained so that we can maintain certainty. I agree that it is a strange and rather unusual concept, but I think it preserves that all-important certainty. Time is short, and I want to ensure that I deal with further amendments.

Sir William Cash: Will my hon. and learned Friend give way?

The Solicitor General: I must press on, I am afraid.

The amendments tabled by my right hon. and learned Friend the Member for Beaconsfield relating to the way in which we designate EU legislation make important contributions to the debate, but they are laden with problems. The sheer volume of what we are dealing with—well over 15,000 pieces of legislation—leads me to draw back from trying to create a convenient categorisation of retained EU law. With the greatest respect, I think it far wiser for the Government to approach each item on a case-by-case basis, not making glib assumptions and trying to downgrade EU law, but getting each particular measure right.

Amendments tabled by the hon. and learned Member for Edinburgh South West and others deal with, again, the debate on clause 6 and the interpretation of retained EU law. I entirely understand why the amendments were tabled, because the debate is intense, but I would say to those Members, with respect, that I think less is more. The more we try to enshrine in law principles such as persuasive authority—which is in one of the amendments—the more I see the potential for judicial head-scratching and litigation of a type that I do not believe the judiciary would welcome. I have said it before and I say it again: I trust our judiciary to answer the question put before them rather than to survey like lions of the constitutional savannah and to run across the landscape. They answer the question that is put to them, and I trust them to do that and to use the discretion that quite naturally they should be given.

In relation to the new clause in the name of the hon. Member for Brighton, Pavilion (Caroline Lucas), it is clear that the Government regard animals as sentient and we of course support the sentiment behind the new clause, as we did on a previous occasion, but we could not support it then and the reasons for not supporting it have not changed. Article 13 places an obligation on the EU when developing certain policies, and on EU member states when developing and implementing those policies. That obligation, because animals are sentient beings, is to have full regard to their welfare requirements, but article 13 applies only to a limited number of EU policy areas, and frankly it also allows for practices that we would consider cruel.

Caroline Lucas: I would be interested to know what policy area the Solicitor General thinks the EU provision does not cover: what does he want to cover that the EU does not? Secondly, would it not be safer just to have this amendment in the Bill to make sure we have legal certainty, because he cannot guarantee that the Government Bill will get on to the statute book before we leave the EU?

The Solicitor General: May I reassure the hon. Lady by pointing out that there are many areas on which we have heard debates, such as on live importation? I want to make sure the new domestic law we introduce is comprehensive in a way that I know she would fully support. Cross-referencing to the obligations in article 13—which apply only to EU policies, not to UK policies—would, if anything, create more confusion once we have left the EU.

Frankly, article 13 has not delivered and its effect on domestic law is minimal, and as my right hon. Friend the Environment Secretary has said, we can do better. We have made it clear that we intend to retain, and indeed enhance, our existing standards of animal welfare once we leave. This Bill will convert the existing body of EU animal welfare law into our law and will make sure the same protections are in place in the UK and that laws still function effectively after we leave.

The purpose of this Bill is not to improve EU laws; it is about providing a functioning statute book. That is why, as the hon. Lady has acknowledged, the Government have now published draft legislation—the Animal Welfare (Sentencing and Recognition of Sentience) Bill—which sets out why we can do it better. It is a significant improvement on article 13; it will impose a clear duty on the state to have regard for animal welfare when considering all policies, rather than just the six areas in article 13.

I also say to the hon. Lady that it is open to public consultation and we have to respect the views of thousands of members of the public who will be coming forward
and making—[*Interruption.*] The hon. Lady believes in open and public consultation and democracy, and that is why we are doing what we are doing. [*Interruption.*] It ill behoves the hon. Lady to assume that my party somehow lies on a lower moral plain when it comes to issues of animal welfare. We share the passion and commitment to animal welfare that she professes and I know many other Members in this House do—I look to the hon. Member for Bristol East (Kerry McCarthy) as a shining example. We want to hear from the public and their view about it, and we want to get it right in domestic legislation, which is the right place for it.

There is much I could say about the wonderful, if small, British overseas territory of Anguilla. Having visited it myself in a ministerial capacity, I was very grateful to the hon. Gentleman for supporting my call for a ministerial visit. I visited it myself in a ministerial capacity, I was very grateful to the hon. Gentleman for supporting my call for a ministerial visit. I have highlighted the need to make sure that the concerns of Anguilla, its people and its economy, but the need to make sure that the concerns of the Anguillan Government are considered and the rights people have in Anguilla, which are exactly the same as those of UK nationals, are preserved after we leave the EU. We will make sure that that situation will not change.

The debate on the charter has been an important one. It has been a further stage in the way in which we have looked carefully at the Bill. The Government remain open and we are listening to all views on how we can get this right. I am sure that, as the Bill makes its way into another place, the deliberations of this House will have done much to enhance the quality not only of the Bill but of our democracy itself.

Kerry McCarthy: I thank the Minister for praising me as a shining example on animal welfare, but that does not quite make up for my disappointment that he has failed to address the issues in my amendments. I therefore seek to press amendment 57 to a vote.

Mr Speaker: The hon. Lady had 10 seconds, and she has been indulged very modestly.

4 pm

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the amendment be made.

The House divided: Ayes 296, Noes 319.

Division No. 91

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniassi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyne, Neil
Crawley, Angela
Creagh, Mary
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Flyn, Paul
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hiller, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keelley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
Question accordingly negatived.

The Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).
(5F) With effect from exit day sections 16 or 17 of the Human Rights Act 1998 shall apply to rights under the Charter in the same manner as they apply to Convention rights.—(Paul Blomfield.)

This amendment would retain the Charter Rights in UK law and afford them the same level as protection as the rights in the Human Rights Act.

Question put. That the amendment be made.

The House divided: Ayes 299, Noes 317.

**Division No. 92**

*4.16 pm*

**AYES**

- Abbott, Rh Ms Diane
- Abrahams, Debbie
- Alexander, Heidi
- Ali, Rushanara
- Allin-Khan, Dr Rosena
- Amesbury, Mike
- Antoniazzi, Tonia
- Ashworth, Jonathan
- Austin, Ian
- Bailey, Mr Adrian
- Bardell, Hannah
- Barron, Rh Sir Kevin
- Beckett, Rh Margaret
- Benn, Rh Hilary
- Betts, Mr Clive
- Black, Mhairi
- Blackman-Woods, Dr Roberta
- Blackman, Kirsty
- Blamcor, Rh Kenneth
- Bramley, Paul
- Brabin, Tracy
- Bradshaw, Rh Mr Ben
- Brake, Rh Tom
- Brennan, Kevin
- Brock, Deidre
- Brown, Alan
- Brown, Lyn
- Brown, Rh Mr Nicholas
- Bryant, Chris
- Buck, Ms Karen
- Burden, Richard
- Burgon, Richard
- Butler, Dawn
- Byrne, Rh Liam
- Cable, Rh Sir Vince
- Cadbury, Ruth
- Cameron, Dr Lisa
- Campbell, Rh Mr Alan
- Campbell, Mr Ronnie
- Carden, Dan
- Carmichael, Rh Mr Alistair
- Champion, Sarah
- Chapman, Douglas
- Chapman, Jenny
- Charalambous, Bambos
- Cherry, Joanna
- Clarke, Rh Mr Kenneth
- Clwyd, Rh Ann
- Coaker, Vernon
- Coffey, Ann
- Cooper, Julie
- Cooper, Rh Rosie
- Cooper, Rh Yvette
- Corbyn, Rh Jeremy
- Cowan, Ronnie
- Coyle, Neil
- Crawley, Angela
- Creagh, Mary
- Haigh, Louise
- Hamilton, Fabian
- Hardy, Emma
- Harman, Rh Ms Harriet
- Harris, Carolyn
- Hayes, Helen
- Hayman, Sue
- Healey, Rh John
- Hendrick, Sir Mark
- Hendry, Drew
- Hepburn, Mr Stephen
- Hermon, Lady
- Hill, Mike
- Hillier, Meg
- Hodge, Rh Dame Margaret
- Hodson, Mrs Sharon
- Hollern, Kate
- Hopkins, Kelvin
- Hosie, Stewart
- Howarth, Rh Mr George
- Huq, Dr Rupa
- Hussain, Imran
- Jardine, Christine
- Jarvis, Dan
- Johnson, Diana
- Jones, Darren
- Jones, Gerald
- Jones, Helen
- Jones, Mr Kevan
- Jones, Sarah
- Jones, Susan Elan
- Kane, Mike
- Keeley, Barbara
- Kendall, Liz
- Khan, Afzal
- Killen, Ged
- Kinnoch, Stephen
- Kyle, Peter
- Laird, Lesley
- Lake, Ben
- Lamb, Rh Norman
- Lammy, Rh Mr David
- Lavery, Ian
- Law, Chris
- Lee, Ms Karen
- Leslie, Mr Chris
- Lewell-Buck, Mrs Emma
- Lewis, Clive
- Lewis, Mr Ivan
- Linden, David
- Lloyd, Stephen
- Lloyd, Tony
- Long Bailey, Rebecca
- Lucas, Caroline
- Lucas, Ian C.
- Lynch, Holly
- Macneil, Angus Brendan
- Madders, Justin
- Mahmood, Mr Khalid
- Mahmood, Shabana
- Malhotra, Seema
- Mann, John
- Marsden, Gordon
- Martin, Sandy
- Maskell, Rachael
- Matheson, Christian
- Mc Nally, John
- McCabe, Steve
- McCarthy, Kerry
- McDonagh, Siobhain
- McDonald, Andy
- McDonald, Stewart Malcolm
- McDonald, Stuart C.
- McDonnell, Rh John
- McFadden, Rh Mr Pat
- McGinn, Conor
- Mc Govern, Alison
- McInnes, Liz
- McKinnell, Catherine
- McMahon, Jim
- McMorrin, Anna
- Mearns, Ian
- Miliband, Rh Edward
- Monaghan, Carol
- Moon, Mrs Madeleine
- Moran, Layla
- Morden, Jessica
- Morgan, Stephen
- Morris, Grahame
- Murray, Ian
- Nandy, Lisa
- Newlands, Gavin
- Norris, Alex
- O'Hara, Brendan
- Onasanya, Fiona
- Oon, Melanie
- Onwurah, Chi
- Ossamor, Kate
- Owen, Albert
- Peacock, Stephanie
- Pearce, Teresa
- Pennycook, Matthew
- Perkins, Toby
- Phillips, Jess
- Phillipson, Bridget
- Picock, Laura
- Platt, Jo
- Pollard, Luke
- Pound, Stephen
- Powell, Lucy
- Qureshi, Yasmin
- Rashid, Faisal
- Rayner, Angela
- Reed, Mr Steve
- Rees, Christina
- Reeves, Ellie
- Reeves, Rachel
- Reynolds, Jonathan
- Rimmer, Ms Marie
- Robinson, Mr Geoffrey
- Rodda, Matt
- Rowley, Daniella
- Ruane, Chris
- Russell-Moyle, Lloyd
- Ryan, Rh Joan
- Saville Roberts, Liz
- Shah, Naz
- Sharma, Mr Virendra
- Sheerman, Mr Barry
- Sheppard, Tommy
- Sherriff, Paula
- Shuker, Mr Gavin
- Siddiq, Tulip
- Skinner, Mr Dennis
- Slaughter, Andy
- Smeech, Ruth
- Smith, Angela
- Smith, Cat
- Smith, Eleanor
- Smith, Jeff
- Smith, Laura
- Smith, Nick
- Smith, Owen
- Smyth, Karin
Twist, Liz
Urmunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilison, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zechner, Daniel

Tellers for the Ayes:
Colleen Fletcher and Vicky Fawcett

NOES

Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Croucher, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dods, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Donnachie, Alistair
Dorries, Ms Nadine
Double, Steve
Downen, Oliver
Dreyn, Jack
Drax, Richard
Dudbridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francis, rh Mr Mark
Frazzini, Jo
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Gamier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hays, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Joseph
Johnson, Sir Roger
Jones, Andrew
Jones, rh Mr David
Jones, rh Sir Roger
Jones, Mr Marcus
Kaczyński, Daniel
Keeghan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg

Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, rh Ms Pauline
Leadsom, rh Andrea
Lee, Dr Philip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVe, rh Ms Esther
Menzies, Mark
Mercer, Johnny
Merritt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O’Brien, Neil
Orford, Dr Matthew
Oppe, rh Sir Matthew
Oxley, Ian
Parish, Neil
Patel, rh Priti
Patterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Exploratory text:

Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shellbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, rh Rosston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, lain
Stewart, Rory
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Sym, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheelier, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
Mims Davies and
Kelly Tolhurst

Question accordingly negatived.

New Clause 7

EU Protocol on animal sentience

"The obligation on Ministers of the Crown and the devolved administrations to pay regard to the welfare requirements of animals as sentient beings when formulating law and policy, contained within the EU Protocol on animal sentience as set out in Article 13 of Title II of the Lisbon Treaty, shall be recognised and available in domestic law on and after exit day."—(Caroline Lucas.)

This new clause transfers the EU Protocol on animal sentience set out in Article 13 of Title II of the 2009 Lisbon Treaty into UK law, so that the obligation on the Government and the devolved administrations to pay due regard to the welfare requirements of animals as sentient beings when formulating law and policy is not lost when the UK leaves the EU.

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 297, Noes 320.

Division No. 93] [4.33 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Antoniacci, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, rh Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliot, Julie
Elman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gilson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Heron, Lady
Hill, Mike
Hillier, Meg
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kevin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, R Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Stalker, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thelwiss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Mr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasim, Mohammad
Zeichner, Daniel

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breerton, Jack
Bridge, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Carlidge, James
Cash, Sir William
Caufield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djungly, Mr Jonathan

Tellers for the Ayes:
Tom Brake and
David Linden

NOES
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downend, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Ervannett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fyly, rh Sir Marcus
Gale, Sir Roger
Garner, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca

Tellers for the Ayes:
Tom Brake and
David Linden

NOES
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downend, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Ervannett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fyly, rh Sir Marcus
Gale, Sir Roger
Garner, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Amendment 3, in clause 11, page 7, line 23, leave out “appropriate” and insert “necessary”.

Amendment 53, page 25, line 12, leave out “appropriate” and insert “necessary”.

Government amendments 21 to 27.

Amendment 52, page 22, line 43, leave out “appropriate” and insert “necessary”.

Amendment 48, page 22, line 39, leave out “appropriate” and insert “necessary”.

Amendment 47, page 22, line 39, leave out “appropriate” and insert “necessary”.

Amendment 46, page 22, line 39, leave out “appropriate” and insert “necessary”.

Government amendment 28.

Amendment 51, page 22, line 39, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 50, page 17, line 18, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Question accordingly negatived.

CORRESPONDING POWERS INVOLVING DEVOLVED AUTHORITIES

Joanna Cherry: I beg to move amendment 49, page 17, line 13, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 51, page 22, line 39, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Government amendments 21 to 27.

Amendment 49, page 17, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Government amendment 28.

Amendment 53, page 25, line 12, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 54, page 25, line 16, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Government amendment 29.

Amendment 3, in clause 11, page 7, line 23, leave out subsections (1) to (3) and insert—

“(1) In section 29(2)(d) of the Scotland Act 1998 (no competence for Scottish Parliament to legislate incompatibly with EU law), omit “or with EU law”.

SCHEDULE 2

Tellers for the Noes:

Kelly Tolhurst and

Mims Davies
(2) In section 108A(2)(e) of the Government of Wales Act 2006 (no competence for National Assembly for Wales to legislate incompatibly with EU law), omit “or with EU law”.

(3) In section 6(2)(d) of the Northern Ireland Act (no competency for the Assembly to legislate incompatibly with EU law, omit “is incompatible with EU law”.

(4) The Secretary of State must lay before each House of Parliament proposals for replacing European frameworks with UK ones.

(5) UK-wide frameworks shall be proposed if and only if they are necessary to—
(a) enable the functioning of the UK internal market,
(b) ensure compliance with international obligations,
(c) enable the UK can negotiate, enter into and implement new trade agreements and international treaties,
(d) ensure the UK can negotiate, enter into and implement new collaborative procedures for the creation of UK-wide frameworks for retained EU law.

Amendment 6, page 7, line 23, leave out subsections (1) and (2) and insert—
“(1) In section 29(2)(d) of the Scotland Act 1998 (no competence for Scottish Parliament to legislate incompatibly with EU law), omit “or with EU law”.

(2) In section 108A(2)(e) of the Government of Wales Act 2006 (no competence for National Assembly for Wales to legislate incompatibly with EU law), omit “or with EU law”.

This amendment removes the Bill’s proposed restrictions on the ability of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly to legislate on devolved matters and creates a new collaborative procedure for the creation of UK-wide frameworks for retained EU law.

Amendment 13, page 7, line 23, leave out subsections (1) to (3) and insert—
“(1) In section 29(2)(d) of the Scotland Act 1998 (no competence for Scottish Parliament to legislate incompatibly with EU law), omit “or with EU law”.

(2) In section 108A (2)(e) of the Government of Wales Act 2006 (no competence for National Assembly for Wales to legislate incompatibly with EU law), omit “or with EU law”.

(3) In section 6(2)(d) of the Northern Ireland Act (no competency for the Assembly to legislate incompatibly with EU law), omit “is incompatible with EU law”.

3A The Secretary of State must lay before each House of Parliament proposals for replacing European frameworks with UK ones.

3B UK-wide frameworks will be proposed if and only if they are necessary to—
(a) enable the functioning of the UK internal market, while acknowledging policy divergence;
(b) ensure compliance with international obligations;
(c) ensure the UK can negotiate, enter into and implement new trade agreements and international treaties;
(d) enable the management of common resources;
(e) administer and provide access to justice in cases with a cross-border element; or
(f) safeguard the security of the UK.

3C Frameworks will respect the devolution settlements and the democratic accountability of the devolved legislatures, and will therefore—
(a) be based on established conventions and practices, including that the competence of the devolved institutions will not be adjusted without their consent;
(b) maintain, as a minimum, equivalent flexibility for tailoring policies to the specific needs of each territory as is afforded by current EU rules; and
(c) lead to a significant increase in decision-making powers for the devolved administrations.

3D Frameworks will ensure recognition of the economic and social linkages between Northern Ireland and Ireland by—
(a) recognising that Northern Ireland will be the only part of the UK that shares a land frontier with the EU; and
(b) adhering to the Belfast Agreement.

3E UK-wide frameworks will be created jointly by the sitting devolved administrations and Ministers of the Crown, with the agreement of all parties involved.”

This amendment removes the Bill’s proposed restrictions on the ability of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly to legislate on devolved matters and creates a new collaborative procedure for the creation of UK-wide frameworks for retained EU law using the principles as agreed at the Joint Ministerial Committee (EU Negotiations) on 16 October 2017.

Amendment 44, in clause 7, page 5, line 7, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 5, page 6, line 18, after “it”, insert—
“( ) modify the Scotland Act 1998 or the Government of Wales Act 2006.”.

This amendment would prevent the powers of a Minister of the Crown under Clause 7 of the Bill to fix problems in retained EU law from being exercised to amend the Scotland Act 1998 or the Government of Wales Act 2006.

Amendment 45, in clause 8, page 6, line 33, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 46, in clause 9, page 7, line 3, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 47, in clause 17, page 14, line 15, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 48, page 14, line 22, leave out “appropriate” and insert “necessary”.

This amendment would ensure that Ministers can only bring forward regulations when it is necessary to do so.

Amendment 11, in clause 19, page 15, line 11, at beginning insert—
“(1) Subject to subsection (1A)”. This amendment is consequential to Amendment 12 to Clause 19 that requires legislative consent from the sitting devolved administrations before any of the provisions in this Act come into force.

Amendment 12, page 15, line 18, at end insert—
“(1A) None of the provisions in this Act may come into force until the Prime Minister is satisfied that resolutions have been passed by the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly, signifying consent to the Act unless—
Joanna Cherry: The amendments I have tabled go to the heart of concerns that many Members have about the wide powers afforded to the Executive by clause 9, schedule 2 and other parts of the Bill in relation to secondary legislation. The purpose of my amendments is to ensure that Ministers can only bring forward regulations under clause 7 and the like when it is “necessary” to do so, rather than when it is “appropriate”. The word “appropriate” is too wide.

These issues were discussed in Committee, but—surprise, surprise—it was very difficult to get a straight answer from Ministers about why they were so wedded to the word “appropriate” and were not interested in changing it to the word “necessary”, as supported by many organisations including Justice and the Law Society of Scotland. The change would also reflect judicial concerns about the breadth of discretion that the judiciary would be given if they had to determine whether something was “appropriate” rather than “necessary”. This will be subject to judicial review because we are talking about secondary legislation. I tried in vain in Committee to get the Minister to say what was meant by “appropriate”. He referred me to the dictionary definition, but that is simply not good enough.

Mr Jim Cunningham (Coventry South) (Lab): It seems to me, and I am sure the hon. and learned Lady will agree, that as far as the Government are concerned, “appropriate” means, “We’ll tell you what we’re going to bring in front of you.”

Joanna Cherry: The hon. Gentleman is absolutely right. That is the gravamen of the concern. The Government are given too much discretion to decide what they consider is appropriate, rather than what is necessary for the purposes of the Bill.

I have no doubt that, later in the debate this afternoon, a Minister will rise to reassure me and others that the Government would never do anything inappropriate, but I think we know what we all think about that. And I am talking not just about this Government; all Governments, particularly when afforded too much Executive power, will seek to abuse it—that is in the nature of the Executive.

In Committee, I was rather struck by a sweeping statement by the right hon. Member for West Dorset (Sir Oliver Letwin), who said that, apparently, we all know what “appropriate” means and that the courts will know what it means. If that is so, why does the Minister not tell us what “appropriate” means in this context? Many distinguished lawyers have said that the courts will not know, and the judiciary themselves have expressed concern about the breadth of discretion given to the Government by the use of the word “appropriate” rather than the word “necessary”.

The matter has been raised by the Delegated Powers and Law Reform Committee, which recommended that the power in clause 7 “should only be available where Ministers can show that it is necessary to make a change to the statute book”.

I have no doubt that an amendment on that will be forthcoming in the House of Lords, but as I said earlier in the debate, it is important that this democratically elected and accountable House debate these matters and that we get some colour from the Government on their position.

The issues raised by the amendment have also been referred to by the Scottish Parliament’s Finance and Constitution Committee, which has produced an interim report on the Bill and supported the recommendation. I think that I am right in saying that the report was supported by a number of Conservative Members of the Scottish Parliament, so this is not really a party political issue. I do not want us to withdraw from the EU, but I recognise the need for this legislation if we are going to do so, and this amendment seeks to circumscribe Executive power.

Sir Oliver Letwin: I can see the hon. and learned Lady’s point that, in the light of the changes that the Government have made to clause 7, it may be appropriate to change “appropriate” to “necessary” in the schedule. However, will she confirm that her amendment 49 does that for devolved authorities’ Ministers, not for the Crown, and that that comes later in the sequence of amendments?

Joanna Cherry: Yes. What is sauce for the goose is sauce for the gander. It would not be very consistent if I thought that the British Executive should not get sweeping powers but the Scottish Executive should. All these arguments about curtailing Executive power apply to all Governments in these islands, not just to this Government. At the moment—my hon. Friend the Member for North East Fife (Stephen Gethins) will address these matters later—the Scottish Government are getting precious few powers in relation to these matters, and that is a grave concern. However, others will address that later.

The Solicitor General said he had listened with care to what was said about this issue in Committee, so what will Ministers do about it? Have they spoken to the judiciary about this? Have they taken on board the judiciary’s concerns about the scope of discretion granted to them and their fear of that, given recent politically motivated attacks on the judiciary? Have Ministers taken on board the concern expressed on both sides of this House and by many organisations outwith it about the broad scope of the powers currently afforded?

As I said, I have no doubt that these concerns will be raised in the Lords, but now is the time for the Government to tell this democratically elected and accountable House what they are going to do to circumscribe the exercise of Executive power in this Bill.

Mr Jenkin: I will speak only briefly to somewhat lament the fact that we have not made more progress on this clause 11 issue. Let me explain the background. The Public Administration and Constitutional Affairs Committee has taken an interest in this matter. We have taken an extensive interest in the inter-institutional
relations between the different Parliaments of the United Kingdom and the different Administrations of the United Kingdom, which is a very undeveloped part of our constitution. We have the legal framework, but we do not have the practices, the culture or the institutional underpinning. The debate about the legislative consent motions in relation to this legislation has shown that up to a degree.

I pay tribute to my right hon. Friend the Member for Ashford (Damian Green), recently departed from the Government, who played a crucial role in making considerable advances on the question of how the legislative consent motions in support of this proposed Act of Parliament should be supported by the devolved Parliaments. It seems to me that the process has stalled somewhat, and it is unfortunate that we do not have the Government or others tabling amendments at this stage of the scrutiny of the Bill, when some of us had hoped that that would be the case. I am bound to say that it may reflect the fact that there is not yet a consensus, and it would be more important to reach a consensus on this matter than to table some amendments that do not reflect a consensus.

Dr Philippa Whitford (Central Ayrshire) (SNP): I totally understand the wish, perhaps, to have had more discussion or debate before bringing amendments, but is that not an argument for putting back this debate, rather than that these amendments should come up in the Lords, where not just Scotland’s governing party but all Scottish MPs cannot take part in the debate?

Mr Jenkin: I do wish that the Scottish National party would take up its option of positions in the other place, so that it could—

Dr Whitford: MPs.

Mr Jenkin: No—so that the SNP could be represented in the other place, because I have no doubt that this matter will be addressed there. But I agree; I think that is unfortunate and that it would have been preferable for it to have been developed here.

Dr Whitford: Even if the SNP were in the Lords, it is the representatives here who are elected, and representatives from all Scottish parties are disfranchised by the amendment’s not being moved today.

Mr Jenkin: I accept that. Whatever compromise or proposals emerge in the other place, we can either debate them, vote on them and accept them, or we can debate them, vote on them, reject them and send back our own proposals to the other place at that point, so this House will have an opportunity to debate this very fully—just as fully as on Report.

This is, ultimately, a question of trust. We need to build up trust. Whatever the future holds for our United—or disunited—Kingdom, there need to be relationships of trust between the four Parliaments of these islands, the four Administrations of these islands, to enable us to make our way in the world as effectively as possible after we have left the European Union. That trust is still somewhat lacking in those relationships, and there may be one or two who want to foment distrust for their own political reasons. That makes getting this sorted out in an amicable way more challenging, but all the more necessary.

Martin Whitfield: Is not trust based on experience, and is not the experience that we have witnessed over the past few weeks disappointing in that building of trust?

Mr Jenkin: We have come a long way since the Government first published the Bill in draft last summer, when there were very peremptory conversations with the devolved Administrations and they felt very unconsulted about the Bill that had been published. There has been quite a lot of trust building and discussion, and the meetings of the Joint Ministerial Committee, which has discussed these matters and produced joint memoranda, shows that trust is capable of building. I do think we have gone backwards a little bit in recent weeks, but I hope that the work that my Committee is doing will help. My Committee is going to Cardiff at the beginning of February and then we will be making an official visit, following an unofficial visit late last year, to Edinburgh, to build up these relationships and these understandings between the different Parliaments and the different Administrations. I do hope that in the end we can arrive at the right destination.

Stewart Hosie (Dundee East) (SNP): I welcome the Committee Chair’s taking his Committee formally and informally to Edinburgh and I agree with what he says about trust, but I hope that he agrees with me and my party that trust would be ably demonstrated if the Government had tabled an amendment, committing to deliver all the 111 powers to the devolved Administrations.

Mr Jenkin: Trust is about what is offered to the other party. In this case, the Government have been consistently misconstrued. Given the drafting, clause 11 can be read as though the Government intended to hold on to the 111 powers for all time, withholding them from the Scottish Government, but the Government have repeatedly said that that is not the case. My Committee has also consistently said that the Government’s intention is that the devolved Administrations and Parliaments should finish with substantially more powers as a result of leaving the EU than they had before.

Lady Hermon: We have not had a functioning Assembly in Northern Ireland for a year—since January 2017. How exactly does the hon. Gentleman and his Committee expect to build up trust with the Northern Ireland Assembly? How is that going?

Mr Jenkin: It is very problematic. My Committee has repeatedly attempted to make an official visit to the Province, but that has not been regarded as expedient at this time. However, I sometimes run into the hon. Lady and I talk to other elected representatives of the Province: I hope that there is, at least within this House, trust and understanding between the democratically elected representatives on this matter. However, I invite the hon. Lady to a further conversation offline. We are continuing our inquiry and our work.
I make it clear to my party’s Front Benchers that I expect amendments to be tabled to clause 11 to clarify how long the powers should exist. Why is there not a sunset provision at the end of clause 11, so that it is seen clearly as a temporary expedient and not a final destination? Why is there not some qualification to the powers that have been retained, to show that they are for a particular purpose rather than just a blanket withholding?

As I said in Committee, it was instructive that even the work commissioned by the Scottish Parliament demonstrated that most of the powers being recovered from the EU—those with relevance to the UK single market, for example—are naturally reserved powers. We are dealing here with only a relatively small proportion, albeit on significant matters such as the environment, farming and fisheries.

This is an important test for the relationship between Whitehall and its counterparts elsewhere in the United Kingdom—and, indeed, with this Parliament, because the relationship between the Parliaments is just as undeveloped, possibly even less so, than the relationship between the Governments. The Governments have to work together, and on the island of Great Britain we have a single civil service that naturally works together.

But the idea of the Parliaments of the United Kingdom working together is a completely alien concept and has not yet come into our political idioms at all.

Our Committee continues to work on the issue. I hope that we shall make some radical recommendations to help us learn from other, decentralised systems of government in other countries. This is in the DNA of their constitutions. We need to develop the same facility, so that after we leave the European Union and the powers have been devolved, the four parts of the United Kingdom work effectively and harmoniously together for the common good and the future of our country.

Anna McMorrin (Cardiff North) (Lab): The biggest scandal about clause 11 is that the UK Government know that it is completely unacceptable; they are just not brave enough to admit it. Ministers, Tory MPs and civil servants have privately—and publicly, sometimes—acknowledged how extremely ill-advised it is to remove the power of the devolved Governments over devolved areas. This UK Government committed to introducing amendments on Report to address this, but where are they? Where is the Government’s acknowledgement that they have got this wrong?

Sir Oliver Letwin: No doubt the hon. Lady will develop her argument, but will she just clarify something? It is not the case, is it, that anything is being removed from the devolved authorities? It is a question of whether things that currently reside in Brussels should be devolved rather than returned to Westminster.

Anna McMorrin: There are things that are devolved and on which we work with the EU, and we do not want those devolved areas returned centrally to the UK Government, as part of a power grab, rather than to our devolved Administrations. The Welsh Government are clearly arguing that case, and so are the Scottish Government.

Dr Whitford: Is the issue not the basic principle that when the Scottish Parliament was set up, certain powers were reserved, and if they were not specifically reserved, they were devolved? That was not originally the case in Wales, but it was later changed. This process reverses that.

Anna McMorrin: That is absolutely the case. It is the case in Scotland and is now the case in Wales. The Welsh and Scottish Governments are clearly arguing this case, and we are now on the brink of a constitutional crisis. This is an issue of trust—trust to exercise devolved powers responsibly, trust to carry out measures that represent the people of Wales and trust to provide meaningful scrutiny of legislation. Why should we in Wales trust a UK Government who are leading us, at any cost, towards such a shambolic, hard Brexit? As it stands, after Brexit, the devolved Governments will be at the mercy of Whitehall, which will have complete control over the time, place, method and future of the powers being repatriated from Brussels. Whitehall may even decide that passing them on is too much trouble, and since the devolved Administrations are given no bargaining powers under the Bill, there will be no opportunities for either Wales or Scotland to demand their return. This is called rolling back the powers of devolution, and we in Wales will not stand for it.

Stephen Kerr (Stirling) (Con): Is the hon. Lady not aware that there are ongoing discussions between the UK Government and the devolved Administrations about this very subject, that there are positive signs that an agreement will be reached—if it has not already been reached—and that therefore she is scaremongering in respect of these powers?

Anna McMorrin: I am aware that discussions are taking place, but I am also aware that the UK Government promised to bring forward an amendment at this stage but have not done so. So where is that trust?

Hywel Williams (Arfon) (PC): Will the hon. Lady agree that a symbol of how seriously this is being taken by the Welsh Government and Welsh parties and in Scotland is the fact that consideration is now being given to continuity Bills to ensure that those powers are retained? In fact, my colleague Steff Lewis in the Assembly will be presenting just such a Bill tomorrow morning.

Anna McMorrin: Yes, that is exactly right, and something I am coming on to. Just today, the Welsh First Minister has said he will take steps to protect Welsh powers after Brexit if UK Ministers do not change the Bill, stating that the Prime Minister’s plan to accumulate all the powers from Brussels in London is a “fundamental assault on devolution”.

Chris Ruane (Vale of Clwyd) (Lab): Members from all sides have mentioned the issue of trust. Does my hon. Friend think that the Government’s attitude to the cancellation of the electrification of the line to Swansea and their promises on EU grants to Wales have helped trust between Cardiff and London?

Anna McMorrin: My hon. Friend is absolutely right. How can we trust a UK Government who cannot make a decision on the tidal lagoon, who cancel electrification, who do not give us fair funding, and who do not give Wales an equal say? The Bill says just that.
The First Minister of Wales has explicitly refused consent to the Bill, and if nothing has changed by the end of January, the Welsh Government will introduce a continuity Bill to protect Welsh interests. The invitation from the Welsh Government to co-operate with the UK Government to make the Bill fit for purpose has been ignored. If the UK Government understood why devolution is one of the strengths of the UK rather than—as they seem to think—one of its weaknesses, they could have included a strategy providing for meaningful, positive scrutiny of legislation by the devolved Governments, and a smooth transition of powers from Brussels to the local, devolved Administrations who are best placed to know what is best for their own countries.

Some EU frameworks will need to be replaced by common frameworks in certain devolved areas, such as agriculture, environment and fisheries, but it is unacceptable to sideline the devolved Governments in that process. The Welsh Government have always been involved in EU negotiations, and are involved in them at the moment. I know that because, in a previous role, I have been part of those EU negotiations alongside Welsh Ministers. I know at first hand what an easy process this is, and I know that it is a process that has always worked. For example, Wales leads the way on recycling and climate change. If environmental policy is reserved to Whitehall, what is to stop the deregulation and the rolling back of our progress to abide by the messy agreements that the Government are planning with the likes of Donald Trump?

Luke Graham (Ochil and South Perthshire) (Con): I share the hon. Lady’s frustration that the Government have not tabled an amendment, which I think will be well documented in the debate. Does she agree, however, that there is an opportunity for us to have a stronger United Kingdom through UK frameworks? The environmental point is very clear: pollution does not respect national or regional boundaries. We need strong nations, but we need a strong United Kingdom as well.

Anna McMorrin: We did table amendments, but the Government voted against them.

I cannot possibly accept that the UK Government will decide all new policies for all the nations of the UK on issues that are devolved, when they are also acting as the English Government. English interests are not always the same as Welsh or Scottish interests. We know all too well that English interests come first. Wales voted for a devolved Government 20 years ago. I was part of the campaign, and I was proud to see the then UK Labour Government bring that about.

Eddie Hughes (Walsall North) (Con): Surely the point is that we are a United Kingdom, and as we move across the United Kingdom we see a great diversity in our country. Walsall North is very different from some of the sunny areas in the south-east. I think that we need to operate collectively as a nation in these discussions.

Anna McMorrin: If the UK Government were going to work together in that way, surely they would have tabled an amendment at this stage enabling them to do just that.

We now see a more successful and more confident Wales than we saw two decades ago, but I fear that we are about to go backwards. The Tories have made it clear that when it comes to devolution, they just do not get it. Anyone who understands the basics of devolution could tell them that the Bill, in its current form, is taking us backwards. We need a Bill setting up a procedure that devolved Governments could use in order to have a say on the common UK frameworks so that they would not have to depend on Whitehall’s goodwill or trust, and that must be on the face of the Bill. We need a Bill that does not propose regressive restrictions on the ability of devolved Parliaments to legislate on devolved areas; this Bill is not it, and I am disappointed that this UK Government could not get their act together between Committee and Report stage and offer better amendments to salvage it.

5.15 pm

Mr Grieve: It is a pleasure to follow the hon. Member for Cardiff North (Anna McMorrin). I want to raise two points, and the first of them goes to the issue around devolution and clause 11 and the lack of Government amendments. I do not share the hon. Lady’s somewhat apocalyptic view on this issue, but I certainly acknowledge that it is not desirable, because it is clearly not the Government’s intention for the process of Brexit to result in a diminution of devolved authority either in Scotland or Wales, or for that matter, in so far as Northern Ireland is going to get a viable Administration, in Northern Ireland. My view has always been, on looking at and reading the way the Bill was drafted, that we can do better than what appears in it at present. My understanding is that that is also acknowledged by the Government, although I do slightly regret that the Bill was introduced in its current form, because it seems to me that it was, to an extent, unnecessarily provocative.

However, it is worth bearing it in mind that ultimately the devolution system—I participated in the debates that set it up—had behind it the implication that the adjustments were not just a one-way ratchet, and I want to emphasise that point: the implication was that devolution might at times require adjustments that gave powers back to Westminster, just as they conferred more powers over time to both Cardiff and Edinburgh. That was clear in the course of those debates when Parliament set the original system up, and it has been repeated on a number of occasions since.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Does the right hon. and learned Gentleman agree with his colleague in the Scottish Conservative party Adam Tomkins MSP, the constitution spokesman, who said:

“Brexit must be delivered in a way that respects devolution...Looking at the substance of the 111 powers, many can safely be devolved without further ado; why aviation noise, for example, would need to come under a UK-wide framework I do not know”?

Mr Grieve: Yes, 110%; I agree entirely with those sentiments, and the remark I made earlier about it not being a one-way street in the way it is supposed to operate does not in any way detract from what Adam Tomkins had to say, and for that reason I continue to look to my right hon. and hon. Friends on the Treasury
Bench to sort this out, and I share the regret that what should have been done in this House is clearly going to come back for consideration in this House at ping-pong. That is not very satisfactory, and I gently make the point at this stage, as I am confident that there will be the necessary amendments in the Lords, that when the Bill comes back from the Lords there must be sufficient time for us to consider it in detail, because ping-pong often has remarkably little time for detailed consideration of measures. I hope very much that we can get an assurance that, in view of the important constitutional nature of this legislation, we should get that.

I said earlier that I had been rather disappointed by the Government response to a matter I raised in Committee and that we debated earlier this afternoon, but that having been said, we debated the extraordinarily broad nature of the powers conferred on the Executive in respect of clause 7 and I am pleased at the way the Government have responded to the representations I made and the amendments I tabled. In amendment 14, it is rather nice to see the Government echoing the very words that I drafted when this matter was in Committee. I have no doubt that, as drafted, the Government amendments produce a significant safeguard on the way in which the powers can be used. They do that in two ways: first, by introducing an ejusdem generis clause, which refers to something of the same nature. In referring to the deficiencies listed, they state that if there are any others, they must be of the same nature as those in the list. The second protection that is now being provided is that, if the Government wish to add to the list of deficiencies, they are going to have to do it by an affirmative resolution of this House.

I entirely accept that this does not go as far as what I was seeking to achieve when I tabled my original amendments, which was to tie the Government down rather more. However, the Government certainly made a perfectly reasonable case in the discussions that I had with them. I think that that might exhibit a certain amount of neurosis on their part—neurosis is very common, as I know from my time in government—that they might have missed something that they ought to have put into the list. The fact that they are willing to come to the House and get an affirmative order to do this provides me with considerable reassurance that this power will now be used in the manner in which it was intended.

Having said all those good things, it is worth pointing out that this and many of the other power grabs in the Bill are quite startling in their scope. It is, however, to the Government’s credit that they have been willing to listen on this. Their amendments amount to a considerable improvement, particularly when associated with the other safeguards that we have been offered in respect of triage and scrutiny. I should therefore like to express my gratitude to the Secretary of State and to the Bill team, who have suffered my presence on probably more occasions than they might have wished in discussing how this might be taken forward. This is exactly what I came into this House to do, and it is always rather nice to be able to achieve something—and, furthermore, to achieve it without having to divide the House, as that is always the weapon of last resort for the Government Back Benches.

With that, I come back to the point at which I started. The test of this legislation will be whether, after enactment, it is seen to be working fairly when it comes into operation. I have no idea when it will come into operation. I suspect that that is still a very long time off, but that is a product of the folly of the course of action on which we are embarked. All that we can do is to try to moderate it as much as possible.

**Stephen Doughty:** I should like to speak to amendment 5, a cross-party amendment tabled in my name and those of other hon. Members. I should also like to indicate my strong support for the Opposition Front-Bench amendment 3. In principle, I also support many of the other amendments in this group, although not, I am sorry to say, the Government amendments, which do not go far enough towards addressing the concerns that have legitimately been raised by the devolved Administrations in particular. It is always a pleasure to follow the right hon. and learned Member for Beaconsfield (Mr Grieve), who has made some excellent points, as has my colleague and friend, my hon. Friend the Member for Cardiff North (Anna McMorrin), who shares many of my deep concerns about this part of the legislation, which have not been addressed.

I hesitate to raise this point, but it is odd that we are discussing devolution and Brexit in this, the most important piece of legislation to face the United Kingdom and the devolved nations since the second world war, without the Secretaries of State for Scotland, Wales and Northern Ireland being present in the Chamber with us. I cannot see any of their junior Ministers here either. Perhaps they all have other important business to undertake. That seems rather remiss of them, given that we are considering such serious matters. I raised a point of order with you about this the other day, Mr Speaker, as did other Members. Much of the concern about this part of the Bill relates to promises and assurances that were given by the Secretary of State for Scotland, yet he is not here to account for himself. I have a great deal of respect for him, but these are serious issues that have been raised in good faith, and Ministers should be here to hear our concerns, and those of the devolved Administrations, if we are truly supposed to be bringing the United Kingdom closer together—as the Prime Minister claims to want to do—rather than pushing it apart.

**Mr Jenkin:** I count 10 Ministers on the Treasury Bench, so it is a little churlish to say that the Government are somehow under-represented when I can see only four members of the Opposition Front-Bench team. I think that says it all. This Government are listening hard to what the hon. Gentleman is saying even though he is being rather tedious.

**Stephen Doughty:** I do not normally respond negatively to the hon. Gentleman, but he fundamentally misunderstands my point. I did not say that Ministers were not here and listening; they clearly are. I can see the Minister for Africa, a Health Minister, the Skills Minister, Brexit Ministers and the Leader of the House, but where are the representatives of the Departments that are supposed to be doing the frontline discussions with the devolved Administrations? They are not here. [Interruption.] The hon. Member for Norwich North (Chloe Smith), a former Northern Ireland Minister, is also here, but I think she moved in the reshuffle. [Interruption.] She might be at the Cabinet Office—that is wonderful to hear—but where are the relevant Ministers? They should be listening, because what is the point of their being in their roles if they are not taking part in debates such as this?
Moving on, we had a lengthy and technical debate in Committee, and I do not want to repeat all the detailed arguments; I intend to focus on the principles that are stake. Fundamentally, this is about respect. The hon. Member for Harwich and North Essex (Mr Jenkin) spoke about trust, and it is also about trust. It is about respect for Wales, Scotland and Northern Ireland and for democracy in a wider sense, because the powers that the legislatures of Wales, Scotland and Northern Ireland now have are the result of several referendums, several elections, detailed debates and consideration, and a great number of Acts. This is about respect for the devolution settlement and, ultimately, for the Union. I made an election promise to stand up for Wales alongside many of my Welsh Labour colleagues, and I wanted to raise our concerns today because they are so serious.

I have not re-tabled all the amendments that were tabled in Committee, because we have limited ability to consider them at this stage, but I live in hope that the new Cabinet Office Minister and the Government will work to address many of the concerns. However, I have no doubt that Members of the other place, where we have ex-First Ministers, distinguished former Ministers and Members who have served in devolved Administrations, will look carefully at the detailed concerns that were raised in Committee, at statements from the Scottish and Welsh Governments about the deficiencies in the Bill as it stands, and at the Government’s failure to address the issues, even in the limited set of amendments that they have tabled for consideration on Report.

I share the serious concerns about clause 11 and the lack of UK-wide frameworks and mechanisms to address many things, which reflects the wider complexity in this endeavour that we are rolling ahead with. We heard about Anguilla earlier on, and who would have thought that that would be a concern? There is so much detail in the complexity of the integration of our relationship with the European Union that the Government simply have not given enough it attention. Whether someone voted leave or remain, trying to address some of the issues is only in the country’s interests.

The White Paper of March 2017 claimed that there would be a significant increase in the decision-making power of the devolved Administrations and that former EU frameworks would be subject to decisions by democratically elected representatives of the United Kingdom. That clearly is not the case with this Bill as it stands. We have heard that there are 111 powers, but we are supposed to just take it on trust that all of them will transfer when the UK Government have repeatedly attempted to undermine the devolved Administrations. I raised that during the passage of the Trade Union Act 2016 and when discussing the Agricultural Workers Board. There is a litany of examples of when things end up in the Supreme Court or in complex disagreements, instead of being addressed in the first place.

The Secretary of State for Scotland suggested that amendments would be made at this stage, but we have not seen them. They have obviously become caught up in some shenanigans that were partly dealt with in the reshuffle. The situation is greatly disappointing, not least because the amendments that were drafted by the Welsh and Scottish Governments that were tabled as cross-party amendments by me and many other hon. Members were proposed in good faith. They were not about stopping Brexit or trying to wreck the Bill; they were serious, well meant and well intentioned and tried to address the serious concerns about the provisions in the Bill. Indeed, we know those concerns are shared by many Conservative Members. It is a shame that the hon. Member for East Renfrewshire (Paul Masterton) has left his place, but he said in Committee that “clause 11, as drafted, is not fit for purpose and must be changed. It does not need to be tweaked a little; it needs to be amended and replaced with a new version.”—[Official Report, 4 December 2017, Vol. 632, c. 731.]

Chris Elmore (Ogmore) (Lab): The Secretary of State for Scotland said that these things would come back on Report. That has not happened, and now the Government are saying that it will go to the Lords. Of course, technically, the Government cannot guarantee any votes in the Lords because they do not have a majority, so this is another area where there is an element of failed trust; they simply do not have the numbers, even if they stack the Lords with a pile of the Prime Minister’s friends.

Stephen Doughty: Indeed, and it is a great concern that we have not had a proper chance to discuss the issue in this place. Given some of the constraining efforts by Government Whips and others at previous stages of this Bill, we will no doubt have constraints at ping-pong, when we consider the amendments made by the Lords. I want these issues to be substantially addressed.

Ian Murray (Edinburgh South) (Lab): Would it not be an act of good faith for the Government to accept amendment 3 today, and then to amend that amendment in the Lords?

Stephen Doughty: Amendment 3 is sensible, well meant and well thought through, and it enjoys substantial support. If the Government just accepted the amendment and moved forward, it would show good faith and we could try to resolve these issues.

As my hon. Friend the Member for Cardiff North said, this Bill will not proceed with the consent of the Scottish Government, the Scottish Parliament, the Welsh Government or the Welsh Assembly without substantial and urgent changes over the next few weeks, or indeed today before the Bill reaches the other place. That is well understood by people across the EU who are watching this process—indeed, I raised it on the visit to Brussels yesterday.

Stephen Kerr: The hon. Gentleman is making a good point about the legislative consent motion and the requirements that need to be in place for it to happen. The Labour amendment would not bring that about. There needs to be an agreement between the UK Government and the devolved Administrations. Without that agreement, it is impossible to replace clause 11 satisfactorily to secure that LCM.

Stephen Doughty: The bottom line is that these concerns have been raised for months. They were raised by the Welsh and Scottish Governments right at the start, when the Bill was published. The UK Government have had plenty of time to resolve things, which is why there
is such deep distrust and suspicion about their intent. Until they come up with something that actually addresses the concerns, we will continue to raise the issue.

Several hon. Members rose—

Stephen Doughty: I will happily take more interventions in a moment, but I want to make a little more progress.

My hon. Friend the Member for Cardiff North also briefly referred to this, but it is important that we hear exactly what the First Minister of Wales, Carwyn Jones, said in his statement today:

“The Bill as it currently stands represents a fundamental assault on devolution. It would replace current constraints on the National Assembly’s legislative competence, which will fall away...with a new set of constraints in devolved competences that would be controlled by the UK Government. We have consistently said there is no prospect of the Welsh Government recommending consent to the EU Withdrawal Bill as it is currently drafted...It is a matter of considerable regret that the Government has not, despite the undertaking of the Secretary of State for Scotland, introduced any amendment to Clause 11 which, as it stands, is wholly unacceptable to us.”

He went on to say that he is deeply concerned about the Government’s failure to accept some of the reasonable amendments tabled on a cross-party basis in Committee, and he made it clear that there will be consequences.

The hon. Member for Arfon (Hywel Williams) spoke about a continuity Bill, and the First Minister made it clear today that, over the past eight months, the Welsh Government have been developing a continuity Bill that can be deployed if it becomes clear that it will not be possible to amend the EU (Withdrawal) Bill to ensure it properly reflects the devolution settlement. If amendments are not made, the Welsh Government will submit that continuity Bill to the Presiding Officer of the Welsh Assembly.

The First Minister could not be clearer, and I share his deep frustration, disappointment and concern that, despite all the warm words at different stages of the Bill—perhaps we will see a rapid turnaround from the new Minister for the Cabinet Office—these issues have not been addressed. We could have been debating the finer points today and moving on from this issue if we had ensured that we kept the constitutional framework in place.

Luke Graham: Does the hon. Gentleman recognise that negotiations are two-sided? He talks about the agreement of the Welsh Assembly and the Scottish Parliament, so can he guarantee that if this House were to adopt the Labour amendment, the LCM would be passed in both of those?

Stephen Doughty: I think the Government should accept the series of amendments we have tabled. I am communicating the concerns of the Welsh Government and the Welsh people—indeed, of many who want to respect and maintain the devolution settlement as it is. The hon. Gentleman is asking this question now, but these amendments were put down months ago and these issues have been raised.

Pete Wishart (Perth and North Perthshire) (SNP): This is exclusively the responsibility of the UK Government. They introduced the repeal Bill, designed clause 11 and acknowledged that there are issues for both the Welsh Assembly and the Scottish Parliament, so it is up to them to fix it. Does the hon. Gentleman agree that this attempt to share blame with Scotland and Wales, as if somehow we are semi-responsible for this impasse, is totally disingenuous?

Stephen Doughty: The hon. Gentleman makes an important point.

Anna McMorrin: Does my hon. Friend agree that this Front-Bench amendment was written alongside and in co-operation with the Welsh Government, which means they will accept what this amendment says? [HON. MEMBERS: “The LCM?”] Yes.

Stephen Doughty: The series of issues we have raised concerns about for months has been clearly set out. These issues have been raised since the Bill was drafted. We are in the absurd situation where the Secretary of State for Scotland admits there are deficiencies in the Bill and many Conservative Members agree with that. I have no doubt that the Minister for the Cabinet Office agrees with it, although I doubt he will say so today. We all recognise there are deficiencies with it, so the question is: why have they not been resolved before we reached this stage? We were hearing a lot from the Scottish Conservative Members, whose position seemed to be somewhat different from that of their counterparts in the Scottish Parliament. The Welsh Conservatives claimed today that they are disappointed; the whole of Wales will be disappointed by their failure to stand up for Wales and their own legislature, in which they sit.

As I said, I do not want to go back into all the technical detail, so I finally wish to come to the nut of this issue: why does all this matter? Why do these issues matter? Why do these technical debates about the constitutional settlement matter? They matter because they have consequences for our Union, for the devolution settlement and for the economic operation of the markets within this United Kingdom. We are already going to be struggling to deal with the serious consequences we will face if we carry on along the Government’s hard Brexit path of, for example, leaving the customs union and the single market, with which I do not agree. Do we really want to add to that a series of complexities, challenges and problems within our own internal markets, logistics and functioning?

There are serious consequences for relationships that we know are already under strain and the subject of lively political debate in the UK. There are also economic consequences of Brexit as a whole for the devolved nations. Just this week, University of Birmingham research showed that the nations and regions of the UK are very exposed economically, with 11.7% of Welsh GDP being exposed. As I said, there are serious consequences to leaving the single market and customs union. We heard yesterday from one of Wales’s largest employers, Airbus—I draw attention to my declaration of interests—which employs a number of people in the defence and space industry next door to my constituency and many people across Wales. Its chief executive, Tom Enders, said that the “wreckage” of Trump will be easier to repair than that of Brexit, given the increased costs and the challenges for competitiveness.

The Welsh people, the Welsh Government and the Welsh Assembly need to have a proper say in where we go on this process, given the implications. As the
consequences become clearer, the Welsh people, and indeed the British people, have the right to change their minds on this entire process.

**Stephen Kerr:** Thank you for allowing me to say a few words in this setting, Mr Speaker. I wish to make it clear that, despite whatever else I may say in this speech, I support this Bill wholeheartedly and I wish it to be a success. Uppermost in my mind when considering the Bill are the ramifications of there not being a Bill. I think about the choice the British people made to leave the EU and I respect it. We made a commitment to act on that instruction and act on it we shall—we will honour that vote. Those who choose to disregard the vote of the British people must answer to the British people. My constituency voted to remain in the EU, but I know that my constituents are democrats who expect me, as their elected Member of Parliament, to ensure that their best interests are served in the light of the outcome and that the result is upheld. Many businesses and individuals in my Stirling constituency are ready to make the best of Brexit.

**Ian Murray:** The hon. Gentleman is running through the start of the speech he made in Committee, during which I asked him four times to outline how he feels clause 11 is deficient and how he would like that sorted out. Would he like to take this opportunity to tell us?

**Stephen Kerr:** I thank the hon. Gentleman for remembering my speeches, which makes him very favourable in my sight. I shall come to clause 11, but first I wish to make it clear that the people and businesses of Stirling—the individuals who live in my constituency—want us to make the best of Brexit. All we hear from other parties, and individuals who live in my constituency, want us to make the best of Brexit.

The Bill is a necessary enabling measure. No one in this House wants to put our country and British businesses through a cliff-edge Brexit. The idea that there are Members who do is often repeated, but it is just not true. We want a smooth Brexit and a working statute book at the end of it. I repeat that, and I do not apologise for repeating it.

**Martin Whitfield:** Does the hon. Gentleman agree that the electorate do not want a deficient Bill to lead them into Brexit?

**Stephen Kerr:** Let me come to that—I promise that almost my next sentence will be on that. I want to make sure that the Bill and Parliament deliver what my constituents expect.

I now turn to clause 11 and the amendments to it, particularly amendment 3. Let me be absolutely clear about the clause: we must have an agreement between the UK and Scottish Governments to allow for the passage of a legislative consent motion. I am not convinced that that is a legal necessity, but it is a convention that the Government are honouring and they should be commended for that. I am therefore intensely disappointed and frustrated that a deal has not been struck between Scotland’s two Governments.

In the past few days, there has been a lot of talk in the media about the claim that there is an agreement in principle between the UK and Scottish Governments. The Scottish Government’s Brexit Minister, Mike Russell, claimed on television on Sunday that such an agreement existed. Will the Minister tell us the status of the negotiations between Scotland’s two Governments? Is there an agreement in principle? Is there an agreement on the frameworks that we all agree are essential for the operation of the UK marketplace, to allow the UK to honour its international obligations and to strike trade deals?

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): Does the hon. Gentleman accept that the need to make amendments to improve clause 11, which is almost universally accepted as deficient, is not predicated on there first being an agreement on a legislative consent motion, or the agreement with the Scottish Government to which he refers? Amendments should be taken on their merits alone.

**Stephen Kerr:** That is brave talk, but the facts of the matter are that Conservative Members are seeking to co-operate with the devolved Administrations so that there can be a unanimous approach to the legislative consent motion.

**Dr Whitford:** Does the hon. Gentleman not see that the way to achieve UK frameworks and to respect devolution would be to have all four Governments around the table as equals? We should not have this place handing things down from on high.

**Stephen Kerr:** I do not recognise that description of what has been going on. In fact, as lately as October, the UK Government and the devolved Administrations set out the principles by which such an agreement as I am describing would be achieved. I do believe that an agreement is necessary for us to be able to see that clause 11 is fit for purpose. It is a very important part of the passage of this Bill. We have to respect the devolved settlement, and an appropriately amended clause 11, which is subject to the negotiation and agreement of the devolved Administrations, is how to proceed.

5.45 pm

**Ian Murray:** I will try for the sixth time over two debates to get the hon. Gentleman to answer this question. I ask him to please not say that he is coming on to it, when he never comes on to it. What is deficient in clause 11? What would he like to see changed in order to make it a clause that is not deficient? Does he stand by what he said in the previous debate, that he expects the Government to come forward with amendments before it goes to the other place?

**Stephen Kerr:** I am going to disappoint the hon. Gentleman—I will come on to that last point. What I believe should exist in clause 11 is the subject matter of
the agreement that is reached between the UK Government and the devolved Administrations, in terms of UK frameworks in particular. We all accept that it is necessary that there are UK frameworks.

Dr Whitford: When I was referring to having all four Governments around the table, I was talking not about negotiating clause 11, but about how to set up frameworks for fishing, food or the environment. Those things should be decided together and not just decided here.

Stephen Kerr: My hon. Friend the Member for Harwich and North Essex (Mr Jenkin), the Chair of the Public Administration and Constitutional Affairs Committee, is not in his place now, but he dealt with that matter in his speech. I must say that I find myself in complete agreement with his sentiment and that of the Committee’s recent report, which is that, since we arrived at the position we are at with devolved Government in the United Kingdom, there has been a lack of appropriate machinery for our Governments to work together. There is a lack of appropriate constitutionally agreed machinery for even Parliaments to talk to each other. That must be addressed.

Mr Alister Jack (Dumfries and Galloway) (Con): I absolutely agree with my hon. Friend. That amending clause 11 is the right thing to do, but the detail of amendment 3 would be mired in judicial review were it to be accepted. For that reason, it is the wrong route to go down.

Stephen Kerr: I completely agree. Although I could not disagree fundamentally with the wording of the amendment, it is not adequate for its purpose in terms of the withdrawal Bill and the importance of achieving the legislative consent motions that this Government have rightfully determined are the way to proceed with what is—I agree—a major constitutional rearrangement of the affairs of this country because of our exit from the European Union.

Mr Sweeney: We all accept that having those joint frameworks is a desirable and necessary thing, but we are talking about the sequence in which that should be carried out. It is not necessary for us to wait for that to happen before amending clause 11 and making it fit for purpose now. Why do we not crack on and do it today? What is stopping us?

Stephen Kerr: What is stopping us is the fact that there is no point creating an amendment which then itself has to be amended. No one is more disappointed and frustrated than I am that we do not have these amendments. I sat and listened to the Secretary of State for Scotland make the same commitment. I will come on to that as it is a serious matter for me.

Pete Wishart: It is important that the hon. Gentleman understands the sequence and how this works. The repeal Bill is something that this Government have done to Scotland. What we have identified in that repeal Bill is a devolution threat in a clause that has to be corrected. If that is not corrected, there will be no legislative consent motion. It is incumbent on the Government who introduced this Bill to sort it and bring it forward. Then we will see whether we can give a legislative consent motion. That is how it works.

Stephen Kerr: There is the soul of a nationalist. The hon. Gentleman manages to take any issue and to make it into a grotesque grievance, which does not even exist. The fact is that the Government are going to extraordinary lengths to achieve the necessary level of consensus and agreement by which clause 11 can be amended so that it is fit for purpose. I support that, but it does not take one iota away from the fact that I am intensely disappointed. I ask the Ministers again to tell us about the status of the negotiations and where we are on the agreement. If there is an agreement, no one will say any louder, “Where is the amendment that we were promised from the Government?” [Interruption.] I am saying it now; I just said it. The Government gave undertakings that the Bill would be amended at the stage before it left this place to go to the House of Lords.

Ian Murray: I am not going to ask the hon. Gentleman for the seventh time, but will he tell the House what mechanism he and his Scottish Conservative MP colleagues would have in this House if the Government do not amend the Bill in the House of Lords?

Stephen Kerr rose—

Joanna Cherry: He doesn’t know.

Stephen Kerr: The hon. and learned Lady, with her normal reserve, says that I do not know. The fact is that there are established processes by which the amendments that will now have to be made to the Bill in the House of Lords will come back here. Those processes were addressed by the Chair of the Public Administration and Constitutional Affairs Committee. I do not want my next point to be lost, especially on my hon. Friends on the Government Front Bench—please do not underestimate the depth of disappointment and frustration among Scottish Conservative colleagues in the House. It does not seem appropriate for the Government to blame outside influences for the lack of an amendment. [Interruption.] SNP Members say, “Yes.” But it took until October to get an agreement to the principles by which we would proceed towards the agreement that I, and many of us here, regard as essential. Why did it take so long? Well, the fact is that the nationalist Government in Edinburgh are approaching the matter, as usual, with a wrecking mentality. They want to create a constitutional crisis that precipitates their beloved second independence referendum. The First Minister was at it again this week, talking about another independence referendum. The people of Scotland have spoken on this matter, but the SNP will not listen and its Members claim to be the democrats in this House.

Neil Gray (Airdrie and Shotts) (SNP): The hon. Gentleman talks about trust, and about building towards agreement and compromise. Will he advise us as to how he expects that trust, agreement and compromise to come about? My understanding is that the UK Government have not shared any draft amendments to clause 11 with the Scottish Government.

Stephen Kerr: I respect the hon. Gentleman’s point of view and question on this matter. Frankly, I believe that we will proceed on the basis of the negotiations, on which I have asked Ministers to update us. Even Ministers in the hon. Gentleman’s own Government in Edinburgh...
talk about these matters in the most positive terms; it is not necessary to dress the issues up as a crisis and make them into some drama. We need to proceed to a point at which we can get to an agreement, which will then be the basis for an amended clause 11.

**Mr Jenkin:**

I have heard from SNP Members here, then we have every prospect of an agreement, and I am quoting the SNP about the lack of joined-up working with the UK Government, which in many respects has been more hawk than dove on these matters. I have no doubt that that is for the Labour party’s political purposes. They are tired of the voices of conflict that they hear regularly in Scotland. They want us to be conciliatory. They want us to work by consensus and through collaboration.

When the devolution settlements first went through, when Labour was in power, there was a fashionable term that is still appropriate—“sofa government”. With a Labour Prime Minister in London and Labour First Ministers in Edinburgh and Cardiff, it was all very cosy, and so there was no need for any of the machinery that I am describing. In fact, one of the Scottish Labour leaders described their party in those days as the “branch office” of the party in London. By contrast, we as Unionists should believe in and work to the principles of partnership, and I believe that that is possible.

The reason behind amendments to clause 11 was to strengthen devolution and by doing so strengthen the Union. The nationalists will always create their narrative of grievance and scream “power grab” at every imagined opportunity. A strong amendment would have pulled the rug from under their squalid argument. It would have shown them up as the creators of grievance rather than giving grievance a voice, which we are hearing today.

Let me touch briefly on the rather weak amendments being offered up by the Opposition parties. The SNP amendment has no chance of passing and does nothing to address many of the concerns that Conservative Members have. The Labour amendment is well-intentioned but poorly drafted, and will only make room for legal wrangling and uncertainty. Not only that, but it shows no understanding that devolution in the UK is asymmetrical. The Scottish, Welsh and Northern Irish Parliaments are very different creatures, and there will undoubtedly be a need for frameworks that cover different parts of the United Kingdom and not just whole-United Kingdom frameworks.

For the good of Scotland, any powers that are returning to the UK from Brussels that are not reserved must, by definition, be devolved. I accept that UK frameworks are required. They can pragmatically solve problems, and they should do so through an equal partnership where all sides—Cardiff, Edinburgh, London and Stormont—can come together to solve problems and to share ideas. This is pragmatic partnership building. It is Unionism at its best, and even the enlightened nationalists seem to sign up for this. Everyone seems to agrees with it, so
again I am left wondering why we would allow this Bill to leave this House and go to the other place without a suitable amendment.

I make no bones about it: it sticks in my craw to think that unelected Lords will make the vital amendments to this vital constitutional Bill. It is not really good enough, and as a Member of the House of Commons I hang my head to think that we have somehow dropped the ball. The Bill will leave this House unamended and in an unsatisfactory state, and we are now dependent on unelected Lords to do our job for us.

6 pm

The Government had control of the timetable—the deadlines were created by them—but they have let this Chamber down by not delivering on what they promised. I really want to hear from a Minister at the Dispatch Box what the Government now plan to do in detail about amending clause 11. I want to hear much more about the shape of the amendment they will bring forward. It is time to get into the detail: we have had enough of the generalities and of the reassuring news, and we now want the detail.

Let me conclude—[Interruption.] SNPs Members will all be very disappointed, but I think that is only fair. The Government have a great track record of listening to the concerns of their Back Benchers. Despite what I am saying, I want that to be a matter of record as well. That is what makes dealing with the situation we find ourselves in so much more difficult. This is an aberration, not what we are used to. The Government listened to our concerns about the Budget and acted on them. I know from my own experience the intensity with which Ministers have listened to suggestions from Back Benchers like me on matters such as the roll-out of universal credit. I cannot speak too highly of the former Minister for Digital, my right hon. Friend the Member for West Suffolk (Matt Hancock), for responding to the challenges and difficulties we have experienced in Scotland with the roll-out of superfast broadband, especially in rural areas.

However, this critical clause is of huge importance to me and many of us in the Scottish Conservative party. For the promises made to us not to have been kept is a poor show. I want it clearly understood that my constituents voted to remain in the EU, but they accept the UK vote and want an efficient withdrawal to be executed by the Government, and the Bill will do that. However, we must also deliver on the powers for the Scottish Parliament in Edinburgh, and the Government have failed on this element of the Bill. I therefore expect some interesting and convincing explanations and some convincing commitments from the Minister tonight. Although the Government have run out of time to make their own amendments, they can take the time tonight to make amends.

Jenny Chapman (Darlington) (Lab): It is a pleasure to follow the hon. Member for Stirling (Stephen Kerr), and I can sense the torture he is putting himself through. The shadow Secretary of State for Scotland, my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Lesley Laird), who is sitting on the Bench beside me, described his trying to come up with a reason for not voting with the Opposition on amendment 3 as “dancing around handbags”. My only advice to him is that he can be as tortured as he likes and in as much turmoil as he clearly feels, but unless he votes accordingly, the Government will never take him seriously and his pleas will go unanswered, as they have so far. He has a good hour to reflect on that and to consider what he wants to do this evening, and I hope that he decides in the end to vote with us on amendment 3.

Mr Sweeney: Does my hon. Friend not agree that the game-changing arithmetic is with the Scottish Conservative bloc of 13 MPs, and if they come together, show some gumption and stand up for the national interest, they can actually turn this around and improve clause 11 today? There is nothing stopping them: they could overturn the DUP bloc and change this if they brought forward their own amendments.

Jenny Chapman: That is exactly what I am saying to those Conservative Members. I do not want to make it more difficult by goading them too much—I will leave that to my SNP colleagues—because I understand how they must be feeling but this is an important moment this evening. If we agreed amendment 3, we would be sending a very clear signal to the Government and requiring them to come back with something in the Lords—with the support, without a doubt, of the votes of Labour peers—to amend the Bill as we ought to be amending it this evening.

I want to keep this very simple. I will speak to amendment 3 in my name and those of my Opposition colleagues. It was disappointing to have to table this amendment. It should not be necessary, because the Government, with the support of the devolved authorities, should have tabled their own amendment, but they have not done so, so here we are.

From the outset, it has been clear that one of the greatest problems with this deeply flawed Bill is that it threatens the devolution settlements that underpin our Union. The Scottish and Welsh First Ministers have described it as a naked power grab, and there is a clear danger that a major piece of constitutional legislation that amends devolution settlements will not receive the consent of the devolved Administrations, which would be a real failure for the Government.

What is the problem? As we argued in Committee, the presumption at the heart of clause 11 is that, as powers return from Brussels, they will be held in Westminster rather than being passed to the devolved Administrations. The Government say that will be temporary, but they have put no time limits on the hoarding of those powers, and there is no collaborative mechanism for the creation of UK-wide frameworks and the devolution of power. Instead, that is assumed to be in the gift of Ministers.

The problem has been recognised by Conservative Members. The hon. Member for East Renfrewshire (Paul Masterton) said in Committee:

“On Second Reading, I said that I would not allow legislation to pass that undermined the Union or the devolution settlement, and that remains my position today.”

He also said that “clause 11, as drafted, is not fit for purpose and must be changed.”—[Official Report, 4 December 2017; Vol. 632, c. 729-31].

He was not alone. The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) said that “changes will have to be made to clause 11 as it stands”.—[Official Report, 4 December 2017; Vol. 632, c. 796.]
The hon. Member for Stirling (Stephen Kerr) said that the Bill must be amended and added:

“As the intergovernmental discussions progress and the Bill returns to this House, as it will, before it goes to the other place, it is very much my hope that there will be some greater detail in clause 11 to help all hon. Members to have a degree of confidence in its intent.”—[Official Report, 4 December 2017; Vol. 632, c. 803.]

Today, he said that he is deeply disappointed that that is not the case.

Conservatives in Scotland must have been pleased when it appeared that the Government had listened and promised to amend clause 11 on Report. The Secretary of State for Scotland told the House that the hon. Member for East Renfrewshire had clearly set out why clause 11 needed to be amended, and he went on to say that the Government would table amendments to clause 11 on Report. The promised amendments have not been forthcoming, and the Government now say that they will be tabled in the Lords. But as the shadow Secretary of State for Scotland has said, the lack of transparency is becoming a habit.

This is not good enough. Conservative Scottish and Welsh Members have been reasonable and given the Government a chance, but they have let them down. Now it is time to force the Government’s hand by voting for our amendment, because devolution settlements are more important than any party interest.

Ross Thomson (Aberdeen South) (Con): The EU referendum result was clear, and it was a decision by the House to put that question to the people. They gave their answer. Whichever way we voted in the referendum ourselves, we have been given instructions that must be carried out. In Scotland, as much as others might wish to portray the picture differently, more than 1 million Scots voted to leave the European Union, 600,000 of whom came from the SNP yes side.

It is inherently the case that, as we leave the European Union, those powers that it exercises on our behalf will come back to the UK and to Scotland. That has always been the golden opportunity to exercise more powers in Scotland over areas such as fishing and agriculture. That is why Members on the other side of the House should welcome that. Rather than fighting to keep those powers in Brussels, we should be fighting to take them here.

We have one opportunity to get this right. We do not get a dress rehearsal for leaving the European Union. There is one time to negotiate and get it right, and it is in nobody’s interest to see a rushed process or to get anything wrong that could damage our constitution. As the House knows, Conservative Members believe inherently in the power of our single market here in the UK.

Deidre Brock (Edinburgh North and Leith) (SNP): The hon. Gentleman’s colleague, the hon. Member for Stirling (Stephen Kerr), quoted the Scottish social attitudes survey. Some 62% of Scots in that survey think that all decisions about fishing should be taken by the Scottish Government, and 59% think that all farming decisions should be made by the Scottish Government as well. Does the hon. Gentleman agree?

Ross Thomson: I thank the hon. Lady for her intervention. I know that Members can be selective, but that survey also showed that the majority of Scots want immigration to stay at the UK-wide level. It is really important that we still have UK-wide frameworks and things that are kept at the UK-wide level.

Deidre Brock: Will the hon. Gentleman give way?

Ross Thomson: No, thank you.

The survey also shows that Scots want to leave the single market. The Scottish Government published a paper yesterday saying Scotland has to remain in the single market, but Scots want to leave the single market—the survey is very clear. So Members can be very selective in the things that we quote.

As I said, it is important that we get this right. Even the hon. and learned Member for Edinburgh South West (Joanna Cherry)—she is not in her place at the moment—said in her introductory remarks that, although she had voted to remain, it is really important that we get the Bill right. Having the Bill is important.

Conservative Members not only want but require there to be proper changes to the EU withdrawal Bill, because we want to see the Scottish Parliament grant its legislative consent, and the Lords require that as well before they make changes. It is in the interests of all Administrations, whether in Scotland, Northern Ireland or Wales, that we find a way to reach agreement. Therefore, I urge in the strongest of terms that the Scottish and UK Governments work and engage positively to ensure that negotiations advance well and that that important agreement can be reached. I welcome the fact that the UK Government have been absolutely clear to date that they want a constructive and consensual approach and that nothing will be imposed on any of the devolved Administrations.

Ian Murray: The hon. Gentleman is making the same argument as the hon. Member for Stirling (Stephen Kerr) with regard to the negotiations being complete and the negotiations and the conclusion to them then influencing amendments in the other place. If the negotiations do not conclude by the time this Bill passes through the other place, what mechanisms do he or any of his Scottish Conservative MP colleagues have in this place to amend the Bill?

Ross Thomson: I thank the hon. Gentleman for his intervention. I am glad that he has recognised that my colleagues and I are saying the same thing, because it is the right thing and the sensible thing, and that is why we have been consistent in our approach. I am also glad that he acknowledged the power and influence that we hold on the Conservative Benches, compared with the Labour Benches, because there are more Scottish Conservative MPs than Scottish Labour MPs.

However, we recognise that reaching agreement is in the interests of both Governments; both want to see a conclusion. Even Mike Russell himself—I have sat in the Scottish Parliament Chamber listening to him diatribes and to him railing against Brexit—wants to reach agreement with the UK Government; in fact, he said that in the Scottish Affairs Committee. Agreement is in the interests of all, and I am positive that changes...
will be made in the Lords and that we will get agreement, because it is not in any Government’s interests not to secure it.

Alison Thewliss (Glasgow Central) (SNP): Will the hon. Gentleman give way?

Ross Thomson: Can I make a little more progress? I will take more interventions.

Looking at the amendment before us, it is clear that there is no safeguard in terms of UK-wide frameworks, which many of us agree are important when it comes to areas such as agriculture or animal and plant welfare standards. Further, and importantly, it does not secure any Joint Ministerial Committee consent, and it does not guarantee the legislative consent that is essential in the Scottish Parliament.

We may all have areas of disagreement, but it is important that we do not pre-empt things by voting for this amendment tonight and that we work constructively to ensure we can get the JMC and our national Parliaments and Assemblies on board. I do not take the characterisation made by the hon. Member for Glasgow North East (Mr Sweeney) that we can somehow speed ahead with the process and that, fingers crossed, things will be amended and then come back. We need to be working more collaboratively and constructively with the Scottish Government.

Neil Gray: On that point, does the hon. Gentleman share my concern that the UK Government do not appear to have shared any draft amendment to clause 11 with the Scottish Government? Has he seen any draft amendment? Has he been involved in any of those discussions?

6.15 pm

Ross Thomson: I thank the hon. Gentleman for his intervention. Obviously, Government Back Bencher have not been directly involved in negotiations between the Governments, but boy, have we been meeting with our ministerial colleagues and making our position and our asks very clear, and I am sure Ministers will reiterate what those asks have been. This is important, because it is in both Governments’ interests that we reach a conclusion. I would ask the Minister, have SNP Ministers shared with you some of the negotiating aims that they are looking for? This is a two-way process.

Given the amount of work that colleagues on the Government side of the House have put into this, there is genuine disappointment and frustration that those amendments have not been tabled on Report; we are disappointed that they will have to come through from the Lords. However, as I said, we recognise that this process is very complex, and that the implications if we do not get it right are very far-reaching. So, we need to ensure that when it comes to UK-wide frameworks, we get agreement on both sides. Some powers will naturally go back to the Scottish Parliament, but some issues are best approached at a UK-wide level, and there is still no agreement between both Governments on that.

If we do agree to the amendment, we must look at what happens where there is disagreement between both Governments in future in the exercise of some of these powers. The way in which those disputes are resolved is inherently complex; it is not simple. I do not think any of those points is addressed in the amendment before us.

I shall touch on a point that was raised by the hon. Member for Cardiff North (Anna McMorrin). I know she is standing up for her area in the way she thinks best, but a lot of the rhetoric sounds very familiar. It is very like what many of my hon. Friends have been dealing with for a long time in Scotland, with the rise of nationalism and with the independence referendum. It is very easy to batter the UK Government in that way, but I believe it is very dangerous and divisive to do so. Maybe the hon. Lady can learn lessons from her Scottish Labour colleagues. It was as a result of that ambivalence towards the Union that Scottish Labour found itself a third party in the Scottish Parliament, and that it has again found itself a third party in Scotland since the general election. That is why there are more of us sitting on the Conservative Benches—because we believe that standing up for the Union is a good thing, not just battering all the time.

Anna McMorrin: The Labour Government in Wales are not a nationalist Government, and if the UK Government were to work co-operatively with both the Welsh Government and the Scottish Government we would not be in this situation. We need that amendment, and the behaviour of this Government means that we are heading for a constitutional crisis. I do not want that constitutional crisis, and neither the First Minister for Wales nor, I think, the First Minister for Scotland wants it.

Ross Thomson: I do not accept the hon. Lady’s characterisation of the UK Government’s behaviour. I have seen people in the UK Government acting in good faith, and in fairness, I have seen that Scottish Government Ministers usually privately act in good faith. The public dance within the media and in public is something different, and I know that the SNP have to get from where they are to where they can accept UK-wide frameworks, but I know they are on that journey. I believe that both Governments are acting in good faith.

The most interesting thing to emerge from this is that the Scottish Government and the SNP are demanding more powers; they demand that all 111 should rest with the Scottish Parliament, regardless of the effect on the UK internal market. But they never talk about outcomes from these powers. They demand more and more, but they never tell us how they want to use them. Sadly, the nationalist narrative now is to just demand more, demand more, demand more, because they want independence. It does not matter how much you try to dress it up. The First Minister herself said that independence “transcends” everything else. It does not matter how the Scottish Parliament is currently exercising its powers, but they will never be enough, because independence is always the end goal, which was why, yet again at the weekend, we heard about potential new dates this year for another referendum. That is why there are fewer SNP Members sitting in the House—people in constituencies such as mine, and Stirling, and West Aberdeenshire and Kincardine, to name just a few, are absolutely fed up with that rhetoric. As my hon. Friend the Member for Stirling rightly said, people want our Governments to work more constructively together. They are fed up with the rhetoric, fed up with the ongoing bickering and fighting, and point-scoring. They want to see both Governments working together, and both Governments have demonstrated that they can do it. Both can work together.
over city deals, for example, to deliver for Scotland and for regions. People get really fed up when they see “The Andrew Marr Show” on Sunday morning and yet again there is the kind of rhetoric that we have had to endure in Scotland for not just months, but years.

Dr Whitford: Did the hon. Gentleman watch the programme? The entire session was about Brexit. Andrew Marr asked the First Minister about independence—she was asked by someone else. You have just spent about five minutes talking about it, but suddenly it is the SNP banging on about it.

Mr Speaker: I have done no such thing. I have been a very good boy!

Ross Thomson: I was not talking about the questions asked but about the answer given. That is the broken record. The First Minister has always had the opportunity to accept the result of 2014. She never has and she never will. That is why independence transcends everything else for the SNP. It does not speak in the national interest, but only ever in the nationalist interest.

To conclude, powers will come back from Europe and will be exercised directly in Scotland by the Scottish Government Ministers. I know that the Scottish Government do not have a great track record when it comes to managing things in Scotland, so I understand their trepidation about any other powers going to the First Minister. That is no doubt why they want to keep all those powers in Brussels.

At least those of us on the Government side actually want devolution—not the kind of crazy centralisation that we have seen from the SNP. That is the hallmark of its Government and of the party here. That is why on this side we will stand up for Scotland and deliver for Scotland.

Hywel Williams: I shall return, for a moment, to the European Union (Withdrawal) Bill.

I rise to speak to amendments 12 and 13 and the consequential 11 in my name and those of my hon. Friends. Amendment 12 to clause 19 would require the UK Government to gain the consent of the sitting devolved Administrations before the Bill came into force. At this stage, hon. Members should not rehearse previous arguments or submit previous amendments, so following my attempted amendment on day one of Committee which also sought to require the legislative consent of the devolved Administrations, I have addressed the critical point raised by other Members about Northern Ireland.

At the time of that previous amendment, there was no Northern Ireland Assembly to grant consent to the Bill and that, unfortunately, remains the case. My amendment, therefore, sets out that consent is required from all devolved Administrations unless direct rule is in place or the Administration have been formally suspended or dissolved for reasons other than recess or an election. Across the House, many of us would like the Northern Ireland Assembly to be up and running and serving its people once again, but if that was still not the case once the Bill was enacted, the amendment would still require the consent of the other Administrations.

To echo the Under-Secretary of State for Exiting the European Union, the hon. Member for Worcester (Mr Walker), this Bill is about continuity, certainty and control. It is now clear that the convention of gaining legislative consent is flawed, as it has been held to be just that: a convention. In contrast, the devolved Administrations have come to see it as a normal and required aspect of legislative processes. It seems to me that until recently, at least in how the process worked from day to day, that was also the view of the Westminster Government, who have sought legislative consent from the nations on hundreds of occasions since devolution.

The Minister has now confirmed that his Government are seeking legislative consent for this Bill as well. Given their own consistent actions, I am mystified about why they do not wish the principle of consent to be anywhere in the Bill—unless, of course, they plan to renge on that commitment, too. If I were a cynic, I might suspect that the Government here are happy enough to request consent as long as there is no risk that it might be refused, as might happen in this case. That is the Catch 22: consent is there only when it is granted.

I also note that hon. Members, including me, have repeatedly asked Ministers what would happen were consent to be refused. In response there has consistently been—well, no response at all. One case in point will suffice. At Welsh questions on 13 December, I asked the Secretary of State for Wales:

What recent discussions he has had with the Welsh Government on a legislative consent motion for the European Union (Withdrawal) Bill.”

I added:

“I have asked the Secretary of State a number of times, both orally and in writing, what would happen if the National Assembly for Wales were to withhold its consent for the withdrawal Bill, and he has gone from looking hopelessly Panglossian to being unsure, evasive and even furtive. Will he now tell the House what would happen if the National Assembly for Wales withheld its consent for the Bill?”

His answer made my case—that the Government were either clueless or evasive—for me:

“I am optimistic that our work with the Welsh Government will lead to a legislative consent motion.”—[Official Report, 13 December 2017; Vol. 633, c. 381.]

That was all: hopeless optimism and no real answer. Our leaving the EU has been characterised as taking back control, but surely to deny the sitting devolved Administrations their fair say on whether the Bill should be passed goes against the three principles of the Bill that the Minister set out: to provide continuity and certainty and to take back control. Control for whom?

I turn now to amendment 13 to clause 11, which also stands in my name and those of my hon. Friends. It is clear that the Bill in its current form would weaken the devolution settlements that the people of Wales, Scotland and Northern Ireland have enjoyed for 20 years. Even this Government have made it clear that clause 11 is not good enough and said that it will be amended. Our amendment seeks to guarantee that any future frameworks respect the democratic accountability of the devolved legislatures by being based on established conventions and practices that will not be adjusted without the consent of these institutions. That is the moot point: it is matter of consent.

The amendment holds that “flexibility for tailoring policies to the specific needs”
of the nations should be allowed, as is currently enjoyed under EU rules, and—most crucially—that these frameworks would

“lead to a significant increase in decision-making powers for the devolved Administrations.”

Before Christmas, the Scottish Secretary gave a strong commitment that clause 11 would be amended on Report, based on the criticisms from across the Committee of the whole House. Unsurprisingly, I suppose, the Government have U-turned on this promise and failed to table any amendments that address the concerns about devolution raised by Members from across the House. What is even more striking is that this was brought to the Government’s attention again two days before the deadline for tabling amendments, yet they failed to act. In this, they have merely confirmed my point in an earlier debate that it appears they still have not accepted that the UK is a unitary nation and that we have more than one Parliament within the British state.

The Welsh Government cannot just continue to hope that something might turn up, waiting in hope for this Tory Government to see reason, so I am glad that the hon. Member for Cardiff North (Anna McMorrin) noted that the First Minister had at last made a statement. I would also be glad if he could agree to the proposal for a continuity Bill that my friend in the Assembly, Steff Lewis, is bringing forward tomorrow. My party’s position in the long run is clear—we want the people of Wales to run their own affairs—but in the interim our sincerely held view is that we need a collaborative procedure for the creation of UK-wide frameworks to ensure good governance for the people of Wales.

Given that the Government are so determined to press ahead and remove us from the already functioning EU frameworks, these UK-wide frameworks will have a significant impact on the existing devolved settlements and therefore must be created jointly by all the sitting Governments, and not be dictated by Ministers of the Crown here. This is only the first step to ensuring that devolution is not just respected but upheld during the upheaval that the Government are creating by leaving the European single market and customs union.

Anna McMorrin: Does the hon. Gentleman agree that systems are already in place under which the Welsh and UK Governments negotiate together on EU discussions? UK Ministers are Ministers of the Crown, as are Welsh Ministers. That is already in place and just needs to continue. The amendment is necessary if it is to continue.

Hywel Williams: I thank the hon. Lady for her intervention. It brings me to the very point I was going to make. The Joint Ministerial Committee (EU Negotiations), to which she was referring, had a very rocky start. Some hon. Members will know that it met last February and then not again until October. During that time, momentous events were taking place here. Huge changes were being made in the relationship between Wales and the EU, and in the United Kingdom’s relationship with the EU. However, the JMC, the very mechanism that was supposed to elicit the views of Welsh Ministers—and Scottish and Northern Irish Ministers, for that matter—did not meet. I am glad to say that since that suspension it seems to have recovered somewhat: the October meeting was much more positive.

6.30 pm

The principles that underpin the JMC were agreed in order to ensure close working between the UK Government and the devolved Administrations on reserved matters and excepted matters that would have a significant impact on devolved Administrations. It was agreed that those principles would apply to common frameworks, but to ensure that that happens, we need to enshrine it in statute.

The Government habitually insist that “nothing is agreed until everything is agreed”. They must realise that unless they agree to the changes in the Bill that Members in all parts of the House want to see, they will not gain the consent of the devolved Administrations that they claim to be so easily able to obtain.

Ian Murray: I am delighted to follow the hon. Members for Stirling (Stephen Kerr) and for Aberdeen South (Ross Thomson), who highlighted the problem that we have had with the Government. I think that there should be an act of good faith this evening: the Government should accept amendment 3, tabled by Opposition Front Benchers, and if they want to alter it in the other place, they will be able to do so.

One of the key problems—and the hon. Members for Stirling and for Aberdeen South failed to answer this question—is that their premise for amending the Bill now is that when the negotiations are concluded between the UK and Scottish Governments through the JMC, the UK Government will take the basis of the negotiated settlement to the other place, make the appropriate amendments to the Bill, and then bring it back here. If the negotiations fall apart—and I take them in good faith, but the Scottish and UK Governments do not have a particularly good track record of cordial discussions, and it might be in one of the political interests of a political party of any colour to bring those negotiations down—there will not, according to their argument, be an amendment in the other place, and the Bill will therefore be unamended.

In that event, there would be no mechanism for the hon. Members for Stirling and for Aberdeen South, or, indeed, the hon. Member for East Renfrewshire (Paul Masterton), who raised these issues, to correct what they claim is a deficient clause. The hon. Member for Stirling said that it was not fit for purpose, and the hon. Member for Aberdeen South said that he would like amendments to be tabled on Report. The hon. Member for East Renfrewshire had previously abstained on the amendments to clause 11 because Ministers had promised him that they would table amendments. When making that promise, they never said that those amendments were dependent on the conclusions of a negotiated settlement, and the Scottish Conservative Members did not say that in their remarks to the press at that time of an emergency meeting between the 12 of them—excluding the Secretary of State for Scotland—to discuss this very issue. This has been concocted to save them embarrassment, and I feel sorry for them on that basis. Now they are saying again, in the Chamber, that they will not vote for amendment 3 because they have been promised that there will be an amendment in the House of Lords.

If that does not happen, there will be no mechanism enabling the 13 Conservative Scottish Members who said that they would fight to amend this “deficient” clause to do so. The Bill will come back unamended, we
[Ian Murray]

will have no powers to change it, and a “deficient”, “not fit for purpose” clause—their words, not mine—will end up on the statute book. That is not acceptable to this elected House.

I share those Members’ frustration that the unelected House will now be given the responsibility of changing the Bill, but let us look at the technicalities. The Government have no majority in the other place, so technically the other place may vote down any Government amendment. I admit that that is unlikely, but the promises that were given to the Back-Bench Scottish Conservative MPs were merely that. They have been let down already.

As my hon. Friend the Member for Darlington (Jenny Chapman) said, the best option would be to vote for amendment 3 this evening to establish the principle of amending clause 11, and if alterations are required in the other place following the conclusion of agreements—or, indeed, if the Government decide that they want to spend some time concluding the amendments—they can be made there and be brought back to this place, and we can then make those changes during the ping-pong.

I cannot understand why the Government have not brought forward the promised amendments on Report. We are always asked in this place to take the Government in good faith; they said those amendments would come forward, and on that basis in Committee I withdrew amendments, as did hon. Friends, and the Back-Bench Scottish Conservative MP the hon. Member for East Renfrewshire (Paul Masterton) withdrew his opposition and voted for the clause and the Bill. We did so on the basis of those promises, and they have not been delivered.

I have no faith in those promises from the Government. I have no faith that the Scottish Government and UK Government, given that they play off against each other politically all the time, will come to an agreement that can be changed in the other place, and therefore the best way to resolve the problem this evening would be for this House to come to a consensual agreement on amendment 3 in the name of my colleagues on the Opposition Front Bench, so we can then say that the principle of changing clause 11 is on the face of the Bill.

Stephen Gethins (North East Fife) (SNP): I will speak to amendment 6 in my name and that of hon. Friends and colleagues. It is crucial in protecting the legislative competence of the Scottish Parliament and the Welsh Assembly. I am grateful for the cross-party support, but most of all I want to acknowledge the officials in the Welsh Assembly Government and in the Scottish Government who worked together to produce good amendments that we can support on a cross-party basis. We were able to introduce them in Committee and to reintroduce them on Report. I have absolutely no idea why the might of the UK civil service has been unable to do so for either stage. At this stage of the debate, I hoped to have the opportunity to debate the amendments promised to us by the UK Government to amend clause 11. I know that the fact that that has not happened has been a deep disappointment across the Chamber.

It is somewhat startling that amendments have been tabled that appear to be based on a presumption that clause 11 remains the same. That is why we cannot back those minor amendments. We were also told that the amendments had been tabled without consulting or agreeing with the devolved Administrations. We have heard a great deal about consultation and agreement, but I have no idea how we can strike an agreement on amendments without first seeing them; we have not even seen them. Members of the Scottish Government, and, I understand the Welsh Government, have not seen them either.

Unfortunately, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) is not in his place, but on a proposal about EU nationals today from the Commission he remarked that the Government should just smile and do nothing. It would appear that the Government are taking half that advice because we are not seeing that many smiles.

We have heard a great deal from the Scottish Conservatives about their unhappiness with their own Government. I wonder whether they will join in the opposition tonight and vote for the amendments that we have tabled, or vote for Labour Front Benchers’ amendment 3, which we do not think is perfect, but it is better than what we have and we will support it. With the Scottish Conservatives and the Opposition, we have a majority in this place. That is a powerful voice that we could have here. Will the Scottish Conservatives vote with us, or will they be yet more Lobby fodder willing to prop up a failing and faltering UK Government who do not keep their promises?

Mr Jenkin: Will the hon. Gentleman give way?

Stephen Gethins: I am going to make some progress.

On 6 December, the Secretary of State for Scotland was asked by MPs across this House about the amendments to clause 11. He said:

“The answer is that it will happen on Report”—

the stage we are at now. He added:

“We have been very clear about this”—

terribly clear it would seem—

“The Committee stage is about listening and adapting to issues...we will table amendments to clause 11.”—[Official Report, 6 December 2017; Vol. 632, c. 1021.]

They have not. Now we are at the stage where this will go to the House of Lords. It is a democratic abomination that the Scottish Parliament will have less of a say, and this House consequently will have less of a say, than the House of Lords. The Scottish Conservatives seem to be embarrassed about that. I wonder whether they are joined by anybody else who is even remotely embarrassed.

Pete Wishart: As has been said, the Government do not even have a majority in the House of Lords. What does my hon. Friend feel about the newly ennobled Bishop of Chichester, who will now have a bigger say on these amendments about critical issues to do with the devolution settlement than my hon. Friend, the hon. Member for Stirling (Stephen Kerr) and me?

Stephen Gethins: As usual, my hon. Friend makes a very good point.

I want to make it clear that the points I make about the House of Lords have no bearing on its Members’ personal characteristics. Rather, I am referring to the anti-democratic situation in which we find ourselves. I presume that we are now in a situation in which a Scotland Office Minister, appointed after losing an
election, will debate these matters with Lords who are there by accident of birth or as a result of political patronage, and that this will happen after Third Reading. That is absolutely shameful. It should shame everyone involved. “Bring back democracy”, Vote Leave supporters cried. “Return our independence”, they cried. They also cried, “Bring back our blue passports”, even though they could have had those all along. After this, we can even have commemorative stamps. Does no one see the irony for democracy? I know that the Speaker wants me to make some progress on this—

**Mr Speaker:** Order. That is rather an understatement. I am looking for an opportunity for the Minister to reply to the debate, so I am sure that the hon. Gentleman will be approaching his peroration ere long.

**Stephen Gethins:** I will. I know that the Minister wants to respond and pick up on some of the points that have been raised, but as I represent the governing party of Scotland, I would also like to make some points on where we are with this—

**Mr Speaker:** Order. I say with due courtesy, but absolute insistence, to the hon. Gentleman that the Minister will rise to speak no later than 6.45. That is not advice; I am telling the hon. Gentleman that that is the situation.

**Stephen Gethins:** I should like to thank the Speaker for his guidance on that—

**Mr Speaker:** Order. Sorry, that was not guidance. That is a ruling. End of subject.

**Stephen Gethins:** Thank you, Mr Speaker.

Let me make these points. What accountability is there on the promises that were made during the EU referendum? The Secretary of State for Scotland told us that we would have a “powers bonanza”, but there has been nothing. The Environment Secretary said that we would get powers over immigration, but there has been no accountability over that. The Foreign Secretary said that there would be £350 million for the NHS, and quite remarkably, he doubled down on that last night. No shame whatever. Is it any wonder that the latest NatCen survey shows that, rather than 59% of people in Scotland thinking that the Government are handling this badly, the figure has shot up to 67%? The hon. Member for Stirling (Stephen Kerr) mentioned this earlier.

Let us compare that to the attitude of the Scottish Government on this. The amendments that have gone down have been drafted by their working with colleagues from across this House and across the Administrations. We published our amendments in due time. Even yesterday, the Scottish Government used the economists that they have at their disposal to publish—not keep secret—their analysis of Scotland’s place in Europe. It showed an 8.5% loss in GDP, equating to £2,500 for every person in Scotland, through losing the value of EU nationals. Leaving the single market will be devastating. On this, I make a gentle point to our Labour colleagues, many of whom have stuck out their neck on the single market. This Government are on the ropes and we could have a majority that could achieve a sensible outcome. I urge my colleagues on the Labour Benches to reconsider some of their options on this. We can stay in the single market.

In conclusion, compromises can be reached but we must see the amendments. All of this is happening even though we were told that the only way to stay in the EU was to vote no. Two thousand years ago, the first Scot in recorded history, Calgacus, was said to have told his followers about the Romans:

“They are the only people on earth to covet wealth and poverty with equal craving. They plunder, they butcher, they ravish, and call it by the...name of ‘empire’.”

As we leave the European Union, we have nothing on clause 11, nothing on the rights of EU citizens, nothing about what will happen to our trade, and nothing on the opportunities for young people. That leads me to conclude that the only plan that the Brexiteers have is to create a desert and call it Brexit.

**The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr David Lidington):** The debate has been lively and has ranged quite widely over various aspects of the impact of this country’s withdrawal from the European Union on the devolution settlements. I therefore want to make it clear from the start that the Government’s expectation and intention are that the return of competences from the European Union will result in a very significant addition to the powers exercised in future by the devolved Administrations on the bases set out in their respective devolution statutes. However, we have to go about this complex task in the right way for the sake of individuals, families and businesses in every part of the United Kingdom, because the devolution settlements were negotiated, debated and enacted on the basis of certain competences being known to be within the power of the European Union and, on the quite reasonable assumption at the time that the devolution statutes went through this House, that that would continue to be the situation.

6.45 pm

Broadly speaking, there are two key reasons why the Government have proposed the overall approach that is set out in the Bill. First, some EU competences straddle elements of both devolved and reserved powers. For example, the common fisheries policy deals with matters that would logically fall within the terms of the devolution settlements, but it also comprehends both multilateral and EU third country international agreements, which under the terms of the Scotland Act 1998—it would also apply to the other devolution Acts—are expressly reserved to the United Kingdom by virtue of their being international agreements. Secondly, the Government’s purpose is to ensure that the interests of everyone in every part of the United Kingdom is protected by the continuation of a single United Kingdom market in both goods and services. In plain language, that means that a manufacturer in Paisley would still be able to sell to a customer in Preston and not have to worry about a set of different product standards or chemical regulations, for example.

I cannot emphasise strongly enough that no power whatsoever that is currently exercised by the devolved Administrations will be removed or harmed by this Bill. On day one after we leave the European Union, those devolved powers will remain as before. Competences currently exercised at European Union level will transfer to the United Kingdom and will remain at United Kingdom level until, but only until, we can sort out the practicalities of apportioning competences in accordance...
with the devolution Acts while protecting the single market of the United Kingdom and the provisions of the United Kingdom’s international agreements.

The Government want the process of apportioning powers to be as smooth and as swift as possible. Therefore, since the Bill was in Committee, we have reflected carefully on the debates and have discussed the way forward with political leaders in Scotland, Wales and Northern Ireland. We are proposing a number of amendments that respond to the concerns expressed during those earlier debates and are actively taking forward discussions with the leaders of the devolved Administrations with a view to bringing forward additional amendments in the House of Lords.

Moving on to the detail—

Martin Whitfield rose—

Lady Hermon rose—

Mr Lidington: I will give way briefly to the hon. Lady, who has not made a speech in this debate.

Lady Hermon: May I congratulate the right hon. Gentleman on his new job? I was absolutely delighted for him. He just mentioned that, in the absence of a Northern Ireland Assembly functioning as we would want it, he has has discussions with leaders of political parties in Northern Ireland—that is what I understand him to say—so will he list which leaders of which parties he has had discussions with?

Mr Lidington: Parties have all been briefed on the Government’s position and therefore have had the opportunity to put forward their points of view. Obviously, in the absence of a functioning Assembly and Executive in Northern Ireland, we have regular contact with the civil service authorities in Northern Ireland, which are maintaining the administration of Northern Ireland in accordance with Northern Ireland law.

Lady Hermon: I am grateful to the Minister for taking another intervention.

I am very disappointed. I sit as an independent, and I take my seat in this House. Sinn Féin Members, seven of them, are absentee MPs. I would be extremely offended if I thought for one moment that the leader of Sinn Féin in Northern Ireland—she is not elected to this House—had been consulted when I had not.

Mr Lidington: The hon. Lady and I have known each other for a long time, and having now had overall responsibility for intergovernmental relations and devolution in the United Kingdom for seven days, I am happy to undertake to make it a priority to have that conversation with her to ensure that her views are properly heard.

Government amendments 26 and 27 will replace the current requirements for devolved Ministers to seek the consent of the United Kingdom Government when exercising the correcting power in specific ways with requirements instead to consult the United Kingdom Government. That achieves the same effect as Committee amendment 169, which was proposed by the Scottish and Welsh Governments and tabled in the name of the hon. Member for Cardiff South and Penarth (Stephen Doughty). Having discussed the matter with those Administrations and having listened to the debate in Committee, we have agreed to accept that proposal, with the addition of extending the change to the power by conferring it on the Northern Ireland Executive.

The United Kingdom Government have a vital role in considering the broader consequences for other parts of the UK where devolved Ministers legislate under these powers, and we think this change is justified. It remains important that, in using the conferred power, no action is taken that inadvertently places us in breach of EU law while we are still a member state or that would prejudice or pre-empt the outcome of negotiations; but on reflection, we consider that the devolved Administrations consulting with the UK Government before legislating in these specific circumstances relating to our negotiations will provide a sufficient safeguard and will preserve the autonomy of the devolved Administrations in correcting their laws.

Patrick Grady (Glasgow North) (SNP): Will the Minister give way?

Mr Lidington: The hon. Gentleman will forgive me, but there are a lot of amendments in this group and I want to try to do justice to them.

Government amendments 25, 28 and 29 tackle a technical but important issue by allowing the devolved Administrations to use the powers conferred on them by schedule 2 to modify directly retained EU legislation in areas where a common framework is not needed. While we work with the devolved Administrations on where frameworks are or are not needed, we are maintaining existing common approaches to provide much welcomed certainty. To aid that, direct EU legislation that currently applies uniformly across the UK will be corrected at UK level in the first instance to avoid the risk of early, unhelpful divergence in areas where it may ultimately be determined that a common approach should apply. We have listened to the views of Opposition Members, my hon. Friends who represent constituencies in Scotland and Wales, the devolved Administrations and Committees in the devolved legislatures.

Given that the UK Government are committed to making swift progress on the frameworks, we agree that, where a matter is released from the clause 11 competence arrangement, the powers in the Bill should be fully available to the devolved Administrations to modify retained direct EU legislation, and we intend that that will be in the majority of areas. We and the devolved Administrations continue to make good progress in those framework discussions. We intend to agree as many areas as possible where frameworks are not needed in advance of exit day, so that those areas may transfer directly to the devolved Administrations without the need for an intervening period in which to operate the holding pattern described in the clauses.

Like my hon. Friends the Members for Harwich and North Essex (Mr Jenkin), for Ochil and South Perthshire (Luke Graham), for Stirling (Stephen Kerr) and for Aberdeen South (Ross Thomson), I am disappointed that we have been unable to reach agreement with the Governments of Scotland and Wales to make amendments to clause 11 on an agreed basis. That remains the Government’s ambition. When I spoke to the Deputy First Minister of Scotland and the First Minister of Wales a few hours after being appointed to my new
responsible last week, I emphasised that I was instructing our officials to work with theirs even more intensively to try to achieve that agreement.

The discussions so far have revealed a great deal of common ground between us. For example, we are all agreed that common UK frameworks will be required in some areas even after we have left the EU. That was also recognised in Committee and reflected a shared understanding about protecting the internal UK market, managing common resources and meeting international obligations. But this is a complex area and we need to get it right, and we do not believe that amendments 3, 6 and 13 would achieve that. It is our assessment that in only a minority of cases will we require a legislative framework, in whole or in part.

I can confirm today that the Government will shortly publish our analysis of the areas where frameworks will and will not be needed, so that we are transparent about this progress as our discussions on both clause 11 and frameworks move into greater detail. I also wish to acknowledge the co-operative approach of both the Scottish and Welsh Governments and their officials in working with us towards the right outcome. I have full confidence that we will deliver this Bill with the legislative consent of both the Scottish Parliament and the National Assembly for Wales.

Let me turn to the Opposition amendments. Amendment 3, from the Opposition Front-Bench team, and amendments 6 and 13, standing in the names of the hon. Members for North East Fife (Stephen Gethins) and for Arfon (Hywel Williams), relate to the temporary arrangements established by clause 11, so that we might determine where and how frameworks would operate. The trouble with these amendments is that they would strip away certainty in areas where our citizens and our businesses rely on having common approaches across the UK, and they would pre-empt our framework discussions. They would risk our ending up when we leave the EU with unchecked divergence where common approaches were in place, with no guarantees of if and when they might be re-established. That is simply not good enough. I do not think it right to accept such amendments, which would inadvertently risk creating new barriers to living and doing business right across the UK, however well-intentioned they might be.

Ross Thomson: Does my right hon. Friend agree that we have heard a lot of talk about respect between both Governments and that being why we should accept the amendment, but that in not securing Joint Ministerial Committee agreement and in not securing a legislative consent motion this actually shows no respect for that process and is simply a stunt?

Mr Lidington: I agree with my hon. Friend. Let me turn to the amendments from the hon. Member for Edinburgh South West (Joanna Cherry), who again raised the important debate between “necessary” and “appropriate” provisions made under the Bill. Members will not be surprised to know that “necessary” is a very strict legal test. It could be interpreted by a court as “logically essential”, and where two or more choices of law to correct EU law are available to Ministers, arguably neither one is strictly necessary because there is an alternative. So Ministers need to be able to exercise discretion to choose the most appropriate course.

For example, if two agencies could arguably carry out a particular function, the UK Government—or in this case the devolved Administration—must propose that which would be the most appropriate choice. That is why we have chosen the word “appropriate” and would wish to stick to that.

The Government remain of the view that the power in clause 7(1) is crucial. We do not take delegated powers lightly, and we want them to be tailored as tightly to their purpose as possible. We have therefore listened to hon. Members’ concerns about the scope of the power in clause 7(1), and in bringing forward Government amendments 14 and 15, we have built on the amendment tabled by my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve), who was supported by my hon. Friend. Friend the Member for Weston-super-Mare (John Penrose).

We must ensure that we can correct all deficiencies that may arise from our withdrawal, but our amendments put it beyond doubt that some of the wilder speculation on how powers in the Bill would be used will not be possible, by providing an exhaustive list of the types of deficiency and taking up the constructive suggestion of my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox). That is the act of a responsible Government responding to the debate we have listened to in the House. I hope that—

7 pm

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the amendment be made.

Question negatived.

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

Amendments proposed: 21, page 17, line 24, leave out “reference” and insert “references”.

This amendment is consequential on amendment 15.

Amendment 22, page 17, line 24, after “7(2)” insert “and (2A) (but not the reference to a Minister of the Crown in section 7(2A)(b))”. This amendment is consequential on amendment 15.

Amendment 23, page 17, line 25, leave out “a reference” and insert “references”.

This amendment is consequential on amendment 15.

Amendment 24, page 17, line 26, after “authority” insert “and the references to section 7(1) being read as references to sub-paragraph (1) or (2) above”.

This amendment is consequential on amendment 15.

Amendments proposed: 25, page 18, line 9, at end insert—

“( ) This paragraph does not prevent the Scottish Ministers from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 29(4C) of the Scotland Act 1998, and 

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (4A) of section 29 of that Act if the provision were made in an Act of the Scottish Parliament when that subsection and the Order are in force.

( ) This paragraph does not prevent the Welsh Ministers from making provision in regulations under this Part if—
(a) the provision is made when there is an Order in Council under section 108A(10) of the Government of Wales Act 2006, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (8) of section 108A of that Act if the provision were made in an Act of the National Assembly for Wales when that subsection and the Order are in force.

( ) This paragraph does not prevent a Northern Ireland department from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 6(8) of the Northern Ireland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (6) of section 6 of that Act if the provision were made in an Act of the Northern Ireland Assembly when that subsection and the Order are in force.

This amendment allows a devolved authority to make provision by regulations to prevent, remedy or mitigate deficiencies in retained EU law, under Part 1 of Schedule 2, so as to modify retained direct EU legislation or anything that is retained EU law under Clause 4. In relation to each devolved authority, a modification would be allowed where the relevant devolved legislature would not, by making the modification in an Act, breach the restriction inserted by Clause 11 relating to retained EU law, because of an Order in Council made under the power conferred by that Clause. The amendment would also allow regulations to be made, in equivalent circumstances, that are inconsistent with modifications of retained direct EU legislation etc made by a Minister of the Crown or the Bill.

Amendment 29, page 26, line 11, at end insert—

( ) This paragraph does not prevent the Scottish Ministers from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 29(4C) of the Scotland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (4A) of section 29 of that Act if the provision were made in an Act of the Scottish Parliament when that subsection and the Order are in force.

( ) This paragraph does not prevent the Welsh Ministers from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 6(8) of the Northern Ireland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (6) of section 6 of that Act if the provision were made in an Act of the Northern Ireland Assembly when that subsection and the Order are in force.

( ) This paragraph does not prevent a Northern Ireland department from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 108A(10) of the Government of Wales Act 2006, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (8) of section 108A of that Act if the provision were made in an Act of the National Assembly for Wales when that subsection and the Order are in force.

( ) This paragraph does not prevent a Northern Ireland department from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 6(8) of the Northern Ireland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (6) of section 6 of that Act if the provision were made in an Act of the Northern Ireland Assembly when that subsection and the Order are in force.”.

This amendment allows a devolved authority to make provision by regulations to prevent or remedy a breach of international law arising from withdrawal, under Part 2 of Schedule 2, so as to modify retained direct EU legislation or anything that is retained EU law under Clause 4. In relation to each devolved authority, a modification would be allowed where the relevant devolved legislature would not, by making the modification in an Act, breach the restriction inserted by Clause 11 relating to retained EU law, because of an Order in Council made under the power conferred by that Clause. The amendment would also allow regulations to be made, in equivalent circumstances, that are inconsistent with modifications of retained direct EU legislation etc made by a Minister of the Crown or the Bill.

Amendment 29, page 26, line 11, at end insert—

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(a) the provision is made when there is an Order in Council under section 29(4C) of the Scotland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (4A) of section 29 of that Act if the provision were made in an Act of the Scottish Parliament when that subsection and the Order are in force.

( ) This paragraph does not prevent the Welsh Ministers from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 6(8) of the Northern Ireland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (6) of section 6 of that Act if the provision were made in an Act of the Northern Ireland Assembly when that subsection and the Order are in force.

( ) This paragraph does not prevent a Northern Ireland department from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 108A(10) of the Government of Wales Act 2006, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (8) of section 108A of that Act if the provision were made in an Act of the National Assembly for Wales when that subsection and the Order are in force.

( ) This paragraph does not prevent a Northern Ireland department from making provision in regulations under this Part if—

(a) the provision is made when there is an Order in Council under section 6(8) of the Northern Ireland Act 1998, and

(b) the provision would, by virtue of the Order, not be in breach of the restriction in subsection (6) of section 6 of that Act if the provision were made in an Act of the Northern Ireland Assembly when that subsection and the Order are in force.”—(Mr Lidington.)

This amendment allows a devolved authority to make provision by regulations to implement the withdrawal agreement, under Part 3 of Schedule 2, so as to modify retained direct EU legislation or anything that is retained EU law under Clause 4. In relation to each devolved authority, a modification would be allowed where the relevant devolved legislature would not, by making the modification in an Act, breach the restriction inserted by Clause 11 relating to retained EU law, because of an Order in Council made under the power conferred by that Clause. The amendment would also allow regulations to be made, in equivalent circumstances, that are inconsistent with modifications of retained direct EU legislation etc made by a Minister of the Crown or the Bill.

Question put (single Question on amendments moved by a Minister of the Crown). That amendments 21 to 29 be made.
Division No. 94] [7 pm

The House divided: Ayes 317, Noes 297.

AYES

Adams, Nigel
Afolami, Sim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Bolles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, Robert
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Cheope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleervey, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glynn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodd, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downend, Oliver
Doyel-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, rh Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, rh Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, rh Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrington, Ian
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinsrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkins, Andrea
Jennick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, rh Mr Marcus
Kawczyński, Daniel
Keeghan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, Andrew
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddington, rh Mr David
Little-Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Merron, John
Mitchell, rh Mr Andrew
Montgomery, rh Penny
Morgan, rh Nicky
Morais, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryl
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Pannick, John
Percy, Andrew
Perry, Claire
Philip, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, rh Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, May
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, rh Rosanyak
Soames, rh Sir Nicholas
Souby, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Moris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryl
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Pannick, John
Percy, Andrew
Perry, Claire
Philip, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, rh Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, May
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, rh Rosanyak
Soames, rh Sir Nicholas
Souby, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheller, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Stuart and Andrew Stephenson

NOES

Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
davey, rh Sir Edward
David, Wayne
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
dodds, Anneliese
Doughty, Stephen
 Dowd, Peter
Drew, Mr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliot, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Heron, Lady
Hill, Mike
Hiller, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hug, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laid, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachel
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorris, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Piddock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruan, Chris
Russell-Moyle, Lloyd
Clause 11

RETAINING EU RESTRICTIONS IN EU DEVOLUTION LEGISLATION ETC.

Amendment proposed: 3, page 7, line 23, leave out subsections (1) to (3) and insert—

(1) In section 29(2)(d) of the Scotland Act 1998 (no competence for Scottish Parliament to legislate incompatibly with EU law), omit “or with EU law”.

(2) In section 108A(2)(e) of the Government of Wales Act 2006 (no competence for National Assembly for Wales to legislate incompatibly with EU law), omit “or with EU law”.

(3) In section 6(2)(d) of the Northern Ireland Act (no competency for the Assembly to legislate incompatibly with EU law), omit “is incompatible with EU law”.

(4) The Secretary of State must lay before each House of Parliament proposals for replacing European frameworks with UK ones.

(5) UK-wide frameworks shall be proposed if and only if they are necessary to—

(a) enable the functioning of the UK internal market,
(b) ensure compliance with international obligations,
(c) ensure the UK can negotiate, enter into and implement new trade agreements and international treaties,
(d) enable the management of common resources,
(e) administer and provide access to justice in cases with a cross-border element, or
(f) safeguard the security of the UK.

(6) Ministers of the Crown shall create UK-wide frameworks only if they have consulted with, and secured the agreement of, the affected devolved administrations.”—(Jenny Chapman.)

This amendment removes the Bill’s proposed restrictions on the ability of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly to legislate on devolved matters and creates new collaborative procedures for the creation of UK-wide frameworks for retained EU law.

The House divided: Ayes 297, Noes 321.

**Division No. 95**

**AYES**

Abbot, rh Ms Diane  De Cordova, Marsh
Abrahams, Debbie  De Piero, Gloria
Alexander, Heidi  Debonnaire, Thangam
Ali, Rushanara  Dent Coad, Emma
Alin-Khan, Dr Rosena  Dhesi, Mr Tanmanjeet Singh
Amesbury, Mike  Docherty-Hughes, Martin
Antoniacci, Tonia  Dodds, Anneliese
Ashworth, Jonathan  Doughty, Stephen
Austin, Ian  Dowd, Peter
Bailey, Mr Adrian  Drew, Dr David
Bardell, Hannah  Dromey, Jack
Baron, rh Sir Kevin  Duffield, Rosie
Beckett, rh Margaret  Eagle, Ms Angela
Benn, rh Hilary  Eagle, Maria
Betts, Mr Clive  Edwards, Jonathan
Black, Mhairi  Efford, Clive
Blackford, rh Ian  Elliott, Julie
Blackman, Kirsty  Ellman, Mrs Louise
Blackman-Woods, Dr Roberta  Elmore, Chris
Blomfield, Paul  Esterson, Bill
Brabin, Tracy  Evans, Chris
Bradshaw, rh Mr Ben  Farrer, Paul
Brennan, Kevin  Farron, Tim
Brock, Deidre  Fellows, Marion
Brown, Alan  Fitzpatrick, Jim
Brown, Lyn  Flint, rh Caroline
Brown, rh Mr Nicholas  Flynn, Paul
Bryant, Chris  Fovargue, Yvonne
Buck, Ms Karen  Frith, James
Burden, Richard  Furniss, Gill
Burgon, Richard  Gaffrey, Hugh
Butler, Dawn  Gapes, Mike
Byrne, rh Liam  Gardiner, Barry
Caddy, Ruth  George, Ruth
Cameron, Dr Lisa  Gethins, Stephen
Campbell, rh Mr Alan  Gibson, Patricia
Campbell, Mr Ronnie  Gill, Preet Kaur
Carden, Dan  Glindon, Mary
Carmichael, rh Mr Alistair  Goddard, Mr Roger
Champion, Sarah  Goodman, Helen
Chapman, Douglas  Grady, Patrick
Chapman, Jenny  Grant, Peter
Charalambous, Bambos  Gray, Neil
Cherry, Joanna  Green, Kate
Clwyd, rh Ann  Greenwood, Lilian
Coaker, Vernon  Greenwood, Margaret
Coffey, Ann  Griffith, Nia
Cooper, Julie  Grogan, John
Cooper, Rosie  Gwynne, Andrew
Cooper, rh Yvette  Haigh, Louise
Corbyn, rh Jeremy  Hamilton, Fabian
Cowan, Ronnie  Hardy, Emma
Coyle, Neil  Harman, rh Ms Harriet
Crawley, Angela  Harris, Carolyn
Creagh, Mary  Hayes, Helen
Creasy, Stella  Hayman, Sue
Cruddas, Jon  Healey, rh John
Cryer, John  Hendrick, Sir Mark
Cummins, Judith  Hendry, Drew
Cunningham, Alex  Hepburn, Mr Stephen
Cunningham, Mr Jim  Hermon, Lady
Dakin, Nic  Hill, Mike
Davey, rh Sir Edward  Hillier, Meg
David, Wayne  Hobhouse, Wera
Day, Martyn  Hodge, rh Dame Margaret

**Noes**

[7.16 pm]
Hodgson, Mrs Sharon
Holern, Kate
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, Paul
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeill, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
Mclnnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Lavida
Morden, Jessica
Morgan, Stephen
Morris, Graeme
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O’Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pears, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Rruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulp
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobell, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewiss, Alison
Thomas, Gareth
Thomas, Harmond, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Adams, Nigel
Afofami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breaton, Jack
Bridge, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burgarth, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffee, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasmin, Mohammad
Zeichner, Daniel

Tellers for the Ayes: Colleen Fletcher and Vicky Foxcroft

NOES

Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djungy, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Ephelale, Charlie
Eustice, George
Evans, Mr Nigel
Evgeniott, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garner, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Givran, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
The petition of residents of Glasgow East constituency, declares that the Department for Work and Pensions plans to close Jobcentres in Glasgow, including Parkhead Jobcentre and Easterhouse Jobcentre, that the Department for Work and Pensions plans to close Jobcentres in roadside and post towns of Glasgow East, having betrayed the communities of Anniesland and Easterhouse in Glasgow East.

The petition states:

I rise to present a petition on behalf of the constituents of Glasgow East, including Parkhead Jobcentre and Easterhouse Jobcentre, which impact tens of thousands of people in receipt of Jobseeker’s Allowance, Employment Support Allowance and Universal Credit, including Parkhead Jobcentre and Easterhouse Jobcentre.

Order. If, unaccountably, there are right hon. and hon. Members who do not wish to hear the contents of the petition, perhaps they can leave the Chamber quickly and quietly. The hon. Member for Stratford-on-Avon (Nadhim Zahawi) has a most interesting conversation, I am sure. It is best conducted outside the Chamber, for which we are grateful. Nevertheless, the hon. Member for Glasgow East (David Linden) still has the joy and exhilaration of addressing an almost packed House.

Let us therefore proceed.

I do not wish to hear the contents of the petition, perhaps they can leave the Chamber, for which we are grateful. Nevertheless, the hon. Member for Glasgow East (David Linden) still has the joy and exhilaration of addressing an almost packed House.

The petition states:

The petition of residents of Glasgow East constituency, declares that the Department for Work and Pensions plans to close Jobcentres in Glasgow, including Parkhead Jobcentre and Easterhouse Jobcentre, will impact tens of thousands of people in receipt of Jobseeker’s Allowance, Employment Support Allowance and Universal Credit.
and that the consequences will be severely felt by some of the most vulnerable and disadvantaged people; have concerns that these closures will result in the poorest communities not being serviced by a Jobcentre and make it even harder for those seeking employment to get support, with people running a greater risk of falling foul of the UK Government’s sanctions regime; and are further concerned that these plans will also impact Scottish workers who will be forced to relocate to other Jobcentres.

The petitioners therefore request the House of Commons to urge the Government to halt any move to close Glasgow’s Jobcentres, publish thorough Equality Assessments and go through a full and proper consultation before making any decisions on the future of the estate.

And the petitioners remain, etc. [P002097]

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**Patient Transport Services: Northern Lincolnshire**

*Motion made, and Question proposed.* That this House do now adjourn.—(Craig Whittaker.)

7.35 pm

**Andrew Percy** (Brigg and Goole) (Con): I welcome the Minister of State, Department of Health and Social Care, my hon. Friend the Member for Gosport (Caroline Dinenage), who will respond to tonight’s debate. It is, I think, her first time in action as a Health Minister. Although this subject is not directly part of her departmental portfolio, we are grateful to her for coming to respond to the debate.

I obtained the debate to draw attention to the appalling standard of the patient transport services that Thames Ambulance Service Ltd has been providing to my constituents in north Lincolnshire. That concern is shared by other local Members of Parliament—indeed, all of us, not just across north Lincolnshire but through to the City of Hull, where Thames Ambulance Service also provides patient transport services. A common theme that constituents have raised with me and my team is that they themselves raised these concerns with Thames Ambulance Service but received no satisfactory response from the company. Having loved ones stranded when at their most vulnerable, following chemotherapy, or learning that elderly relatives with severe dementia or Alzheimer’s have been stranded or forgotten in very low temperatures, is of course very emotive for family members. Their questions to Thames Ambulance Service often go unanswered, in a thoroughly unacceptable way.

**Helen Goodman** (Bishop Auckland) (Lab): The hon. Gentleman is making a very good speech. The service is also a problem in the rural parts of my constituency. Old people are now refusing to go to hospital appointments because they are worried about whether they can get there and get back, because the transport is so bad. Does he agree that this is fundamentally a health issue?

**Andrew Percy:** I am sorry to learn that the experiences extend also to County Durham, because going to hospital is stressful enough in and of itself, particularly if one is very elderly or very vulnerable, as many people who use these services are, but especially so if one is not sure whether one will get home at the end of one’s treatment or after an appointment.

This is not, of course, a reflection on the frontline staff of Thames Ambulance Service, who are doing their very best in very difficult circumstances. I will come on to what some of the whistleblowers who have contacted us from that service have told us.

**Nic Dakin** (Scunthorpe) (Lab) rose—

**Andrew Percy:** Of course I will give way to my neighbour in Scunthorpe.

**Nic Dakin:** I congratulate the hon. Gentleman on securing this debate. I have regularly had messages commenting about patient transport arriving late to pick people up, sometimes too late to get to appointments in time; patient transport sending unsuitable vehicles, so that disabled patients cannot access the transport;
transport arriving late to a pick-up from hospital. That is a consistent theme. I have met with Thames. They held their hands up and said they had got problems. They said they were going to sort them out, but sadly, a month later, the problem is not getting any better.

Andrew Percy: I thank my hon. Friend and neighbour for that intervention. This is the problem. In many ways, it is nice that Thames Ambulance Service have met him. The correspondence that I have repeatedly sent them, chased by their official complaints procedure, by their chief executive, has not been responded to. So constituents who have not had a response have come to me, and I have then gone to Thames Ambulance Service, which has not responded to me. The service has not got any better. I will cite a few of the examples that my constituents have given, which are similar to my hon. Friend’s experience.

These experiences are being wrought on very vulnerable people. I want to go through a number of examples from my constituency. I will not name patients.

Diana Johnson (Kingston upon Hull North) (Lab): I congratulate the hon. Gentleman on securing this evening’s debate. In Hull, we were also covered by Thames Ambulance Service. They are already under a contract performance notice because of their failure to do what their contract says they should. A constituent—a cancer patient—contacted me just today to tell me about being left, being forgotten, not being able to get to chemotherapy sessions, not being able to get to radiotherapy sessions. That constituent had seen people who had had to wait up to four hours for a journey back to Scarborough or Lincolnshire, in a waiting area with only upright chairs, when all one would want to do at that stage is sleep. It is totally unacceptable and the service does not seem to have improved, despite that contract performance notice.

Andrew Percy: It is saddening that the same experiences are happening just across the river in the city of Hull as well. This appears to be a consistent theme wherever this company provides ambulance transport services. Unfortunately, the hon. Lady describes an experience that many of my constituents have shared.

In fairness to the north Lincolnshire clinical commissioning group, it has, through the scrutiny processes at North Lincolnshire Council, effectively put the company on notice and informed it that the service is not good enough. Despite that, the improvements have not happened.

Melanie Onn (Great Grimsby) (Lab): I thank the hon. Gentleman for giving way. It is fair to say that all our constituents have suffered for reasons that Thames Ambulance Service Ltd has brought on itself to some extent. It has decided not to pay volunteer drivers, who have been the backbone of the service for some time, to travel to and from where patients must be collected. That means that it has lost 40 of those volunteer drivers. Should it not be rewarding the people who have been the backbone of the service rather than treating them that shoddily?

Andrew Percy: I could not disagree with a word the hon. Lady said. She has stolen my thunder. No, it is good! I was going to come on to the company’s treatment of volunteer drivers. Not only has it said that it will not pay them for mileage unless a patient is in the vehicle, but at three months’ notice it told them that if their vehicles were more than five years old, they could no longer be volunteer drivers. Despite having been its policy for a considerable time, a company cannot give volunteers three months’ notice like that—say, effectively, “Change your vehicle or give up on the service.” Through its own actions, the company has made an already struggling service much worse. It has absolutely brought the situation on itself.

I have dealt with the issue of volunteer drivers, and I thank the hon. Member for Great Grimsby (Melanie Onn) for raising it. I want to give a couple of examples from my constituency to demonstrate how poor the service has been. One of my constituents in Brig was given short notice that their transport was to be cancelled because there were no ambulances. That meant that this person, who suffers from mobility issues, had to cancel an important scan. It is impossible for them to get in or out of vehicles unless they have been specially arranged.

The mother of another constituent from Crowle on the Isle of Axholme is 87 years old; she suffers from dementia, is partially sighted and has been repeatedly left stranded following appointments arranged way in advance. My constituent has completely lost trust in the service and family members have had to take time off work to ensure that the lady gets to hospital. The service is there to ensure that that does not have to happen. The situation is completely unacceptable.

Another constituent from the Isle of Axholme has repeatedly been left stranded and unable to book an ambulance. They have been forced to use expensive taxis, which meant that the trip doubled in length. On one occasion the service failed to fulfil a pick-up arranged in advance, and that again required them to use a taxi. The service is totally unacceptable.

Martin Vickers (Cleethorpes) (Con) rose—

Andrew Percy: I give way to my north Lincolnshire colleague.

Martin Vickers: Like the Opposition Members and my hon. Friend, I have a long list of complaints from constituents, but I want to highlight a particularly bad case. On two occasions—one at Scunthorpe Hospital and once at Grimsby Hospital—a 91-year-old gentleman in Burton-upon-Humber had to wait for four hours before transport was provided to get him home. On one occasion, he did not get home until past midnight. The situation is extremely serious.

Andrew Percy: Absolutely. As my hon. Friend has highlighted again in this debate, we are not talking about one or two cases: Members of Parliament across our area have multiple cases. I want to highlight another one. Another constituent of mine, this time from Burton-upon-Stather, has to attend Castle Hill Hospital for chemotherapy every single day. His experience is of ambulances frequently being late, of other patients missing their appointments and of late collection for following treatment. As he has pointed out, receiving chemotherapy means that he is already very ill and weakened, but not just once but regularly he has had to wait up to three hours for an ambulance to collect him. He has also had issues with the booking system and trying to get a place at all.
Andrew Percy: My final example is of another constituent living just outside Burton-upon-Stather: 82 years old, suffering from Alzheimer’s, in a wheelchair and with very poor mobility, he is totally dependent on the assistance of others to get to and from hospital. Again, his experience is of frequently waiting for the service to collect him from Scunthorpe Hospital. Not so long ago, during snowy, freezing weather, he was left for over three hours in a hospital doorway, waiting for a lift. In the end, hospital staff intervened and brought him inside to warm up, but yet again the experience of the complaints process was that Thames Ambulance Service was wholly unresponsive in dealing with complaints.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on securing this debate. The consensus in the Chamber is clear. The current format has people waiting at home for transport to hospital—for a scan or other procedure—and then having it cancelled. Does he agree that it is not just about cancelled operations and appointments or wasted slots, but about the financial impact on the service and on the patients, who then have to go to the back of the queue, and about the trauma they go through as a result?

Andrew Percy: It has a whole knock-on effect, whether it be individuals having to find their own transport, missed appointments or rescheduled appointments—it is all incredibly expensive—and it is not just patients who have these terrible experiences, of course; it is also the drivers. I have had whistleblowers from the service contact my office. One said they come on duty at 12 o’clock and are expected at the same time to be at Castle Hill Hospital in Hull with patients. They have described themselves as being at their wits’ end and thoroughly stressed. One contacted me recently about a 100-year-old lady who had to wait three and a half hours to get home.

Nic Dakin: It is interesting to reflect that back before Thames took over the contract we did not have these problems. When we, as northern Lincolnshire MPs, met the hospital trust, it confirmed that these problems were related to how Thames was operating the contract and that it was adding to their problems trying to deliver high-quality care.

Andrew Percy: That is absolutely right. There is an argument for saying that those who provide the emergency services—East Midlands Ambulance Service in the case of Scunthorpe—are better able to provide the patient transport services, just as in Goole we would want Yorkshire Ambulance Service to provide the patient transport. There seems to be some sense in that, unless it is a very strong local community transport organisation that we know we can trust. Yes, there are always examples of failure, but we did not have this recurrent theme of failure under the previous system.

Melanie Onn rose—

Andrew Percy: I will give way to the hon. Lady, but then I want to give the Minister enough time to respond.

Melanie Onn: I thank the hon. Gentleman for giving way; he is being very generous this evening. Following on from the point made by my hon. Friend the Member for Scunthorpe (Nic Dakin), our local hospital trust is already in special measures—it has gone into special measures for the second time—and senior board members are raising Thames as a potential difficulty and challenge in their efforts to meet their key performance indicators and get out of special measures. This is something the Government need to take really seriously.

Andrew Percy: It is incredible that what is judged to be a failing trust has a failing transport patient service that is making it even more difficult for it to get out of special measures. That is another reason I brought this matter to the House today.

Following on from the intervention of the hon. Member for Scunthorpe (Nic Dakin), one of my requests is to the Department for Transport—so not directly in the gift of the Minister in the Department of Health and Social Care—which is currently undertaking a transport accessibility consultation. It might be sensible if the issue of patient transport were to be wound up as part of that. That is one of my asks. I know that the Minister cannot respond, as it is not her Department, but it would be useful if she could pursue it interdepartmentally.

I want to give the Minister enough time to respond, so I will not say much more, but the concerns that I have described are shared by the clinical commissioning group, which has raised these issues with North Lincolnshire Council’s health scrutiny panel on a number of occasions and has told the panel that there will be further sanctions if the service does not improve. Sadly, that was said at the end of October, and, as other Members’ interventions have made clear, there has been no turnaround since then.

Martin Vickers: I agree with my hon. Friend that action needs to be taken. Does he agree that the service has had long enough to get its act together, and that the Minister ought to be consulting the local health trust and the CCG with a view to terminating the contract?

Andrew Percy: I think that that is absolutely true. The chairman of the scrutiny panel, Holly Mumby-Croft, who is a councillor for the Broughton and Appleby ward in my constituency, has said that the “volume of people” who have contacted the panel directly is “very unusual”. It is for people to go directly to a scrutiny panel; not many are aware of the position of the council. That alone suggests that the problem cannot be solved through the usual channels. After the most recent appearance of Thames Ambulance Service before the panel, the chairman said:

“I have seen actually no improvement. None at all. It is worse.”

There is something seriously failing here, and it is putting the performance of our local hospitals at risk. More important, it is having a huge impact on our constituents.

I realise that the Government did not commission the service, and that it was commissioned by the CCG, which is responsible for the performance of the contract. However, I have some asks of the Minister.

Could the whole issue of patient transport be considered as part of the consultation that is currently being undertaken by the Department for Transport? Will the Minister and the Department look at the performance of Thames Ambulance Service in north Lincolnshire, and perhaps also in Hull, to see whether anything can be done directly by the Department to improve its performance?
Will they, if necessary, look into what powers are available to establish whether or not this is a business that should be operating within the health service at all? If it is routinely leaving people with three and a half to four hours to get home, surely we need to ask, whether through NHS England or locally, whether this organisation should be allowed to provide transport services.

I accept that responsibility lies directly with the commissioners. I therefore urge the Minister to engage with the north Lincolnshire CCG and put maximum pressure on it to ensure that the powers made available in the contract tender to impose fines or even terminate the contract are used if there are not serious improvements very quickly. I have no confidence that the service will improve. I think it is time that the contract was terminated, and that either the local authority or the local ambulance service has another opportunity to tender. All of us in our area want the same thing. We want a patient transport service that does what it is meant to do: take people to hospital and get them home in a timely manner.

I look forward to the Minister’s response.

7.53 pm

The Minister of State, Department of Health and Social Care (Caroline Dinenage): I congratulate my hon. Friend the Member for Brigg and Goole (Andrew Percy) on securing the debate. As he has so elegantly articulated, the provision of patient transport services is important to many people throughout the country.

Let me take this opportunity to give heartfelt thanks to all the staff in the health and care system. They work tirelessly in often difficult circumstances, routinely going above and beyond the call of duty to keep patients safe. Those dedicated people make our NHS truly great. No one knows that better than my hon. Friend, who spends weekends volunteering as a first responder with the Yorkshire Ambulance Service. He deserves massive thanks for everything that he does in that role, as do all first responders up and down the country.

We recognise that effective patient transport services are vitally important, not only to ensure the provision of high-quality, safe services for patients, but to ensure that patient flow through hospitals is not slowed by missed medical appointments or delayed patient discharges. We are clear that local NHS CCGs must ensure that reliable, safe and comfortable patient transport services are delivered and maintained.

Patient transport services, like almost all other health services, are locally commissioned and provided to ensure that they are well adapted to local conditions. It is for local CCGs to set appropriate expectations of service with their providers and to take swift action where they fall short. However, that is not to say that the Government have no expectations of how these services should be delivered and should function. There is well-established national guidance on who is eligible to use patient transport services via its CCG bulletin.

Nic Dakin: I congratulate the Minister on taking up her new post, which I am sure she will do very well. She said that CCGs should take swift action when things are not working. What does swift action look like? This has been going on for some time now; how quickly should the people of northern Lincolnshire expect to have the patient transport service they deserve?

Caroline Dinenage: Of course, we have devolved this matter locally and it is up to the local CCG to take action. I know that a recovery plan is in place and the delivery of the plan is now being monitored weekly, but the hon. Gentleman is right, and, like my hon. Friend the Member for Brigg and Goole, he has kept on articulating this issue and asking these questions on behalf of his constituents, to try to find out when they will see a visible difference to the service, because it is currently not good enough.

Patient transport providers are also required to be registered and inspected by the Care Quality Commission, the independent regulator of health services. This Government have given the CQC more powers, and it is now able to rate independent healthcare transport providers in the same way as NHS ambulance services. We fully support the CQC in its work to ensure that users of patient transport services are protected, and where services are not good enough and the necessary improvements have not been made, it can take further action, including issuing fines, service restrictions, and ultimately the cancellation of a provider’s registration.

Additionally, we are very supportive of the Department for Transport-led total transport initiative, which I think was what my hon. Friend was referring to, and which is currently piloting the joint commissioning of public sector-funded transport in order to reduce the risk of services overlapping, improve efficiency, and provide a better overall service to passengers.

From the local work carried out so far, it has become clear there are a range of potential benefits for the NHS, including helping to avoid bed blocking—where patients sometimes cannot go home because non-emergency patient transport is not available—and improving access to NHS services by reducing missed appointments due to late or unavailable transport. We have asked NHS England to ensure that CCGs are all engaging in this important work.

Melanie Onn: I welcome the Minister to her new role and wish her the best of luck, but from what she is saying I am not entirely clear how the Government will follow up and pressure will be brought to bear on the CCGs in the delivery of the contract. I had a 97-year-old lady, whom the new chief executive of the Diana, Princess of Wales Hospital and the Northern Lincolnshire and Goole NHS Foundation Trust met. She had had to wait for eight hours in the emergency care centre for transport to go home. There needs to be a little more urgency in the Minister’s response.

Caroline Dinenage: I completely understand why the hon. Lady is articulating that; every one of these incidents is absolutely unacceptable and in many cases very distressing. The issue with devolving such clinical decisions to local areas, however, is that we have to allow the CCG to take the necessary steps to ensure the service is put back on to a better footing.

Diana Johnson: This is not just one CCG; it involves more than one. I have already mentioned the fact that Hull contracts with Thames Ambulance Service. Does
the Minister really think that this business—it is a profit-making business—is fit for purpose?

Caroline Dinenage: The hon. Lady is absolutely right to raise that point. I am aware that similar problems have been identified with the same provider in other parts of Yorkshire and the east midlands. Improvements must of course be made, which is why commissioners are working to oversee and manage the necessary improvements and trying to achieve the level of performance that is required.

Turning to the particular issues affecting northern Lincolnshire, my hon. Friend the Member for Brigg and Goole and other hon. Members across the House are absolutely right to point out the problems with the services commissioned in and around their constituencies. I have read some of the cases today, including some distressing cases involving patients with conditions such as dementia and cancer experiencing long delays with their transport. Such delays are clearly a source of incredible distress for people who are already facing a very difficult time in their lives. Many of them may be very vulnerable, and we are absolutely clear that this needs to change.

North Lincolnshire CCG awarded a patient transport contract to Thames Ambulance Service in October 2016 following an open procurement process. Issues around the quality of service are acknowledged, and we are aware that people have experienced delays. That is clearly unacceptable. I assure my hon. Friend and other Members that a range of actions is being undertaken to ensure the delivery of an appropriately high-quality service. The CCG is working closely to support Thames Ambulance Service to achieve the required level of performance. It has served a contract notice to the provider based on delivery against key performance indicators, the number of patient complaints, and issues associated with data reporting.

A robust recovery plan has been put in place, and delivery against this is carefully monitored on an ongoing basis. Key actions include the recruitment of six additional staff in north Lincolnshire and the mobilisation of additional vehicles. I understand these staff have recently been trained and deployed. A patient transport co-ordinator has also been employed, working with the hospital to improve the process for patients being discharged. The CCG has also worked with the provider to improve its complaints process, and I am advised that its backlog of complaints has now been cleared.

I hope that my hon. Friend is also reassured by the level of Care Quality Commission engagement with Thames Ambulance Service. In its inspection report of April 2017, the CQC uncovered a number of areas for improvement, ultimately issuing enforcement action against the provider in respect of regulation 17, which covers good governance; regulation 13, covering safeguarding; and regulation 5, which deals with requirements relating to registered managers. The CQC continues to monitor the provider closely to ensure that the required improvements are being made. It is currently undertaking a fresh review of the service and will issue a further report when its latest inspection is complete. We expect this to be published and available online before the end of March. That will be exactly the same for the provider in the constituency of the hon. Member for Kingston upon Hull North (Diana Johnson).

Finally, I am also advised that the CCG has reviewed the application of the eligibility criteria for patient transport services across the area to ensure that they are being applied evenly. Through this process, it has determined that some patients who have historically accessed these services may no longer be considered eligible. We obviously have to take steps to ensure that the service is more consistent and that the CCG is working with the provider to ensure that affected patients are informed as soon as possible and given helpful advice on how to access alternative services if they are required. I would like to thank my hon. Friend again for bringing these matters to our attention, and I very much hope he is reassured that all appropriate actions are beginning to be taken to restore the delivery of effective patient transport services to his constituents.

Question put and agreed to.

8.4 pm

House adjourned.
The Secretary of State for International Development

The Secretary of State was asked—

Tax Havens: Developing Countries

1. Ms Karen Lee (Lincoln) (Lab): What steps her Department is taking to mitigate the effect of tax havens on the tax receipts of developing countries. [903325]

Ms Lee: Lesotho has severely underfunded public services, in part due to high rates of HIV and AIDS, yet our Government have just concluded a tax treaty with Lesotho that severely constrains its ability to levy taxes. Does the Secretary of State believe that that is consistent with promoting international development?

Penny Mordaunt: The Secretary of State for International Development (Penny Mordaunt): Mr Speaker, I start by paying tribute to Rebecca Dykes, the DFID staff member killed in such tragic circumstances last month in Beirut. Becky was passionate about helping others, and through her work has improved the lives of some of the most marginalised people in the world. Becky’s family have set up a charitable fund in her name to advance some of the causes Becky cared about so deeply, and my Department is providing support; we will also hold a commemoration next month to celebrate her life. I am sure I speak for the whole House when I say that our thoughts and prayers are with her family and friends during this difficult time.

The UK continues to lead efforts to strengthen international tax transparency. DFID supports developing countries to benefit from and influence new international standards which help them to tackle tax avoidance and evasion.

Ms Lee: Lesotho has severely underfunded public services, in part due to high rates of HIV and AIDS, yet our Government have just concluded a tax treaty with Lesotho that severely constrains its ability to levy taxes. Does the Secretary of State believe that that is consistent with promoting international development?

Penny Mordaunt: One of my first actions, which I set out this week, is to establish a new team to help countries that we are seeking to develop and that are transitioning out of poverty to improve tax collection systems and set up public services. We need to focus on that as well as on alleviating crises and immense poverty. I will be happy to discuss the matter further with the hon. Lady, and it will be one of my priorities.

Mr Gary Streeter (South West Devon) (Con): Does my right hon. Friend agree that aggressive tax avoidance involving tax havens can be tackled effectively only by collective global action? Will her Department therefore keep the issue high on the agenda at future G8 meetings and will she do all she can to ensure that the UK continues to take a lead?

Penny Mordaunt: Absolutely. The UK is leading on this matter, having put it on the G8 agenda in 2013.

Nick Thomas-Symonds (Torfaen) (Lab): It is vital that developing countries have an effective tax collection system. What bilateral action are the Government taking to support countries to achieve that goal?

Penny Mordaunt: As I just said, I think we need to do something more hands-on and more practical, so I am dedicating some resource and a team within my Department to focus on that for every nation we work with.

Mrs Pauline Latham (Mid Derbyshire) (Con): Will my right hon. Friend commend the work of Conservatives in government to crack down on tax havens, including the leadership shown by David Cameron in making that a centrepiece of the UK’s G8 summit in 2013?

Penny Mordaunt: We have made considerable progress—for example, all our overseas territories that have a financial centre are now committed to global standards on tax transparency.

Modern Slavery: Libya

2. Ellie Reeves (Lewisham West and Penge) (Lab): What steps her Department is taking to tackle modern slavery in Libya. [903326]

Ellie Reeves: Over 2,000 people in my constituency signed the petition debated last month and the issue is of great concern to us all. What update can the Minister give my constituents on the implementation of the plan agreed by African Union and European Union countries at the end of November? Specifically, how many migrants have been repatriated?

Alistair Burt: After the debate, I asked the organiser of the petition to come in to my office to see me, and she, one of the supporters of the petition and I had a meeting last week, which gave my officials a chance to talk with her about the huge interest and concern that the petition demonstrated. Briefly, the matter worries us considerably. There is work going on across Government in relation to the criminal aspects of the slave auctions, but at the meeting I was also able to outline what we are doing to build capacity, such as—
Mr Speaker: Order. Minister, we have quite a lot of questions to get through, so we need shorter answers. Sorry, but we do.

David Evennett (Bexleyheath and Crayford) (Con): Will my right hon. Friend join me in welcoming the significant investment from the aid budget that the Department has made available to tackle modern slavery in Libya and across all migration routes from sub-Saharan Africa into Europe, and will he reaffirm his commitment to this work?

Alistair Burt: Even though time is tight, I must thank my right hon. Friend for the remarkable support he gave to the Foreign Office and the Department for International Development when he was a Whip and his remarkable contribution to Government over the years.

My right hon. Friend is right. We have a £75 million programme focused on migration along routes from west Africa via the Sahel to Libya. This includes an allocation of £5 million in Libya aimed at providing that aid. He is right to raise this.

Ann Clwyd (Cynon Valley) (Lab): I have repeatedly raised in this Chamber the abuse endured by migrants in the camps in Libya, including sexual violence against women, girls and men. Will the Minister confirm that Libya has been designated a priority country under the UK preventing sexual violence initiative? It should have been.

Alistair Burt: My right hon. Friend the International Development Secretary yesterday inaugurated exactly the programme the right hon. Lady mentions. It is a significant investment from the aid budget that the Secretary of State in paying tribute to Rebecca Dykes.

All our thoughts are with her family, friends and colleagues in Lebanon. She, like my right hon. Friend the International Development Secretary, spoke for all of us. The African Union says that hundreds of thousands are dying on the 21st century. It is racist and a stain on our humanity. We must do much more. This is not modern slavery; it is what my right hon. Friend the Minister for Africa on her appointment.

Alistair Burt: The African Union says that hundreds of thousands are dying on the 21st century. It is racist and a stain on our humanity. We must do much more. This is not modern slavery; it is what my right hon. Friend the Minister for Africa on her appointment.

It is significant investment from the aid budget that the Secretary of State in paying tribute to Rebecca Dykes. She, like my right hon. Friend the International Development Secretary, spoke for all of us.

All our thoughts are with her family, friends and colleagues in Lebanon. She, like my right hon. Friend the Minister for Africa on her appointment.

Alistair Burt: Modern slavery is a key part of my right hon. Friend the Prime Minister’s agenda—we have allotted £150 million to it—and the work of the Church of England, in making sure that people see victims and are attuned to their needs, is vital.

Kate Osamor (Edmonton) (Lab/Co-op): I join the Secretary of State in paying tribute to Rebecca Dykes. All our thoughts are with her family, friends and colleagues during this difficult time. I also congratulate the new Minister for Africa on her appointment.

I thank the Minister for his answer, but in truth we must do much more. This is not modern slavery; it is just slavery—pure and simple—alive and flourishing in the 21st century. It is racist and a stain on our humanity. The African Union says that hundreds of thousands are at risk, so repatriating a few thousand will never be enough. Will the Secretary of State address the root causes and re-examine the UK and Europe’s migration policy in the Mediterranean and across Africa?

Alistair Burt: I thank the hon. Lady for her remarks about Becky Dykes, who was part of the middle-eastern team in Lebanon. She, like my right hon. Friend the International Development Secretary, spoke for all of us. The hon. Lady is right to keep the attention on slavery, but I want to do as much as I can to reassure her that we have this very much in focus, although of course there is more to be done. There is a closer connection now between the EU, the UN and the African Union, and we are working with international partners on the whole route and, specifically in relation to Libya, on the criminal aspects. It is complex—Libya is a difficult state to work in; and this is a £150 billion criminal operation moving people around and putting them into slavery. We will continue—

Mr Speaker: Order. I am sorry, but we must press on; we have a lot to get through. I call Mr Lamont.

Small Charities: Funding

3. John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): What steps she is taking to help small charities access funding from her Department for international development projects.

The Minister of State, Department for International Development (Harriett Baldwin): Small charities are vital to the UK’s funding for international development. Last July, the small charities challenge fund was launched to support the work of small, UK-based charities in international development. The fund will enable these organisations to increase the reach and impact of their projects.

John Lamont: Scottish Borders makes a significant contribution to the UK’s overseas aid effort, often in the form of fundraising or volunteering for larger national charities. Local grassroots organisations can play a crucial role in some of the world’s poorest countries, but applying for funding can be challenging, and some worthy organisations might not be aware of opportunities such as the small charities challenge fund. Will the Minister reassure me that the Department is doing all it can to promote these funds and make applying for them as easy as possible?

Harriett Baldwin: I thank the hon. Member of Parliament, because excellent local MPs such as my hon. Friend can publicise these opportunities to the great grassroots charities.

Tony Lloyd (Rochdale) (Lab): During the Rohingya crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi crisis, the Rochdale Council of Mosques, with its local Bangladeshi roots, made a material difference to our Bangladeshi
appalling crisis. As he will know, it is possible to secure match funding from the Department when local communities are able to do such an impressive amount of fundraising.

Mr Richard Bacon: South Norfolk (Con): I draw attention to my entry in the Register of Members’ Financial Interests.

Given that larger charities are necessarily more bureaucratic, and given that the UK aid grant scheme was set up to help smaller charities, are Ministers satisfied that the due diligence processes for applications from smaller charities are entirely appropriate and cost-effective?

Harriett Baldwin: We do carry out due diligence for small charities, and we have received more than 100 applications to the Small Charities Challenge Fund. The cut-off in relation to size is an annual income of £250,000. I look forward to the announcement of the results of the first round of applications.

Mr Gregory Campbell: East Londonderry (DUP): Will small charities that are particularly innovative in sub-Saharan Africa, providing clean drinking water for hundreds of thousands of people there, be able to avail themselves of the fund, and will the Minister actively promote it to them?

Harriett Baldwin: They will indeed be able to avail themselves of the fund, provided that their annual income is less than £250,000 and provided that they are working in one of the 50 poorest countries in the world. Larger charities can apply to other sources of funding.

Preet Kaur Gill: Birmingham, Edgbaston (Lab/Co-op): The Secretary of State may talk up the £4 million Small Charities Challenge Fund, but the truth is that the Government are failing international charities and the people whom they serve. Civil society funding is being squeezed, the programme partnerships arrangements and flexible funding have been scrapped, and the right to speak out has been restricted under the draconian Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014. What plan has the Secretary of State to reverse that?

Harriett Baldwin: I congratulate the hon. Lady on her appointment: we look forward greatly to working with her. We are proud of our track record on the 0.7% commitment, and my right hon. Friend the Secretary of State will announce her strategic priorities shortly.

Occupied Palestinian Territories

4. Grahame Morris: Easington (Lab): What steps she is taking to improve access for humanitarian organisations in the Occupied Palestinian Territories.

5. Andy Slaughter: Hammersmith (Lab): What steps she is taking to improve access for humanitarian organisations in the occupied Palestinian territories.

The Minister for the Middle East (Alistair Burt): I will answer briefly, Mr Speaker.

The UK Government consistently call on the Israeli Government to ease movement and access restrictions in the OPTs. Since 2011, we have been funding the United Nations Access Coordination Unit to work with the Israeli Government and the Palestinian Authority.

Grahame Morris: Palestinians in the occupied territories face significant barriers to access to healthcare. Some have even died as a result of delays at checkpoints. Will the Minister urge the UK Government to recommend to the working group of the United Nations’ universal periodic review of Israel’s human rights record that Israel lift restrictions on the movement of Palestinian patients and healthcare workers and Palestinian-registered ambulances?

Alistair Burt: The hon. Gentleman has drawn attention to a serious aspect of the difficulties of restrictions. It is much in the UK’s mind, and we will continue to raise it.

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

The overnight announcement from the United States of the largest cut in aid for Palestinian refugees for 70 years follows the Israeli Government’s ban on 20 international organisations entering Israel, including three from the UK. Does that concern the Government, and what do they intend to do about it?

Alistair Burt: The United Nations Relief and Works Agency has a unique role in protecting and providing essential services for 5 million Palestinian refugees. We are deeply concerned about the impact of potential cuts in US funding on stability in the region, and about the continuity of UNRWA’s vital services. We will go on supporting them.

Theresa Villiers: Chipping Barnet (Con): What action is the Minister taking to ensure that no taxpayers’ money from DFID ever ends up in the pockets of convicted terrorists?

Alistair Burt: It just does not. We do not give aid to terrorists, and the Palestinian Authority knows that.

Bob Blackman: Harrow East (Con): What action is my right hon. Friend taking to ensure that the funds given to the Palestinian Authority and the Israeli non-governmental organisations are used to promote peace in the area, so that we can see a peaceful co-existence between Israel and the state of Palestine?

Alistair Burt: My hon. Friend raises an important point. We have just this year allocated £3 million to co-existence projects so that those from the Palestinian community and Israelis can work more effectively together. One of the problems in recent years has been a growing divide between communities. We want to find projects that will break down barriers rather than erect them.

Tommy Sheppard: Edinburgh East (SNP): Will the Government oppose President Trump’s latest threat to withdraw funding from UNRWA, and will the Government attend a conference of donor countries, convened by the Norwegian Government and the EU, to discuss the imminent crisis that would result?
Alistair Burt: The answer to the second question is yes, and I am hoping to attend that conference myself. On the first question, as I said in answer to the hon. Member for Hammersmith (Andy Slaughter), that is a decision for the United States; we are concerned about the impact but our support for UNRWA will continue.

Dan Carden (Liverpool, Walton) (Lab): The US President’s threat this week to withdraw tens of millions of dollars from UNRWA for Palestinian refugees is an act of cruelty towards some of the poorest and most disadvantaged people in the world. It attacks the long-established principle that development and aid cannot wait for a peace deal. What is the Minister doing to strengthen the resolve of the United Nations and our European counterparts to maintain vital humanitarian work in the region?

Alistair Burt: I welcome the hon. Gentleman to his position; we look forward to hearing much more from him. I met the head of UNRWA recently in London. Our commitment for next year to its programme budget is £38 million. It assists in the provision of basic education for some half a million children. As I have explained, we are concerned about the loss of funding to UNRWA and our support for it remains clear, but this is another example of how something will not be properly fixed until we get the agreement between Israel and the Palestinians that we are all searching for, and we hope 2018 will be a landmark in that.

Yemen: Humanitarian Aid

5. Richard Burden (Birmingham, Northfield) (Lab): What recent estimate she has made of the amount of humanitarian aid entering Yemen.

The Minister for the Middle East (Alistair Burt): Donor countries have spent over $2 billion in humanitarian aid in 2017. This does not capture all the aid flows to Yemen, including significant contributions from Gulf countries who channel much of their aid independently. The UK is the second largest donor to the UN Yemen appeal and the third largest donor to Yemen in the world.

Richard Burden: The Minister will be aware that the 30-day relaxation of the blockade on Hodeidah port expires at the end of this week, and even while it has been in place, a combination of its temporary nature and the action of intermediaries has pushed up prices so many people have not been able to afford the food, fuel and medicines that have been able to come in. So what can the international community do to ensure that supplies continue to reach people in Yemen and they are able to stave off the famine that still affects over 8 million people?

Alistair Burt: We are working hard to ensure that commercial and humanitarian access to Yemen remains unhindered. It is vital that both commercial and humanitarian aid gets through. The hon. Gentleman is right to raise this, and the UK is working hard to make sure that process continues to deal with the humanitarian crisis in Yemen.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): UNICEF’s report this week highlights the appalling impact on children of the conflict in Yemen. Will the Minister examine the proposal from War Child that at least 1% of humanitarian funding should be devoted to mental health and psycho-social support?

Alistair Burt: I will be very happy to see that proposal; I have not seen it yet. Looking after psychological and mental health used to be seen as some kind of benevolent add-on in terms of aid and support. Bearing in mind the crisis and trauma that so many youngsters go through, it is very important that it is brought up front and the UK is a firm advocate of that. I will certainly look at the report.

Chris Law (Dundee West) (SNP): As we all know, there are no winners in war, and in comments to The Daily Telegraph before Christmas the Secretary of State correctly said that Saudi Arabia has “no excuses” for blocking food and fuel shipments to Yemen. Is it not therefore sheer hypocrisy and simply inexcusable that her Government are providing billions of pounds-worth of arms sales to Saudi Arabia when 7 million Yemeni people are facing the worst famine in decades?

Alistair Burt: My right hon. Friend the Secretary of State for International Development made a significant contribution to humanitarian access by visiting Djibouti and Riyadh just before 20 December, and the resulting decision has improved humanitarian access there. Arms sales are strictly controlled, as the House well knows. We will continue our support for the coalition, which is fighting a serious insurgency and armed support from outside Yemen directed against it, but we will be firm in our determination to see an end to the conflict, which is the only thing that will resolve the humanitarian crisis.

Topical Questions

T1. [903340] Stephen Gethins (North East Fife) (SNP): If she will make a statement on her departmental responsibilities.

The Secretary of State for International Development (Penny Mordaunt): Yesterday I launched the UK’s new action plan on women, peace and security, alongside the Foreign and Commonwealth Office and the Ministry of Defence. Empowering women and girls and placing them at the heart of our efforts to prevent and resolve conflict helps to bring a lasting peace and a safer, more prosperous world. This is good for developing countries and for the UK.

Stephen Gethins: We obviously work closely with our EU partners on the delivery of international aid. As the Secretary of State makes her plans for working with the EU after we leave, is she working on the assumption that Turkey will be a member state?

Penny Mordaunt: I am not anticipating that will happen. I have been clear that we will work with all our European partners. We will be much more focused on the things that matter to us and our strategic priorities as we do so, but we will continue to work hand in hand with many countries in Europe.
T8. Robert Halfon (Harlow) (Con): British taxpayers can be proud that their money goes to the salaries of Palestinian teachers, but does the Secretary of State share my obvious concern that some of those teachers are working at one of the more than 30 Palestinian Authority schools named after terrorists who have murdered Israelis or at one of the three named after Nazi collaborators?

Alistair Burt: As the House knows, we constantly challenge the Palestinian Authority in relation to anything that might encourage or glorify violence. I can assure the House that we ensure that no payments are made to those who have those connections. We do all we can to encourage the Authority to understand that naming places after those who have been involved in terrorism does not contribute to the peace process.

T2. Jim Shannon (Strangford) (DUP): Will the Secretary of State conduct an independent review of DFID aid delivery mechanisms in Iraq in order to evaluate reports that UK aid is not reaching vulnerable religious minorities?

Alistair Burt: We look very seriously at any such allegations. There is a constant review in the Department to ensure that some of the challenges that come in on religious discrimination are evidenced. I challenge the agencies as well, and we will continue to do this. We do not have evidence of significant discrimination, but we are always on the lookout for it.

Sir Henry Bellingham (North West Norfolk) (Con): Does the Secretary of State agree that DFID money spent on repairing catastrophic hurricane damage in the UK overseas territories, which often hits the poorest the hardest of all, should always qualify as legitimate overseas aid?

Penny Mordaunt: I do agree with my hon. Friend. The rules that we are constrained by have not prevented us from coming up with the funds needed to help those areas hit by Hurricanes Irma and Maria. This is also a lesson that we should continue to invest in our defence capabilities, because we were very reliant on our armed forces to get into those places.

T3. Ruth Cadbury (Brentford and Isleworth) (Lab): Yesterday, officials from Myanmar and Bangladesh agreed details for the repatriation of the Rohingya, but reports suggest that the Rohingya will have no guarantee of citizenship on their return, that they could be forced to return against their will, and that they will be vetted individually as potential terrorists. Before giving the UK Government’s support, what will the Minister do, beyond taking the two Governments at their word, to verify that repatriation for the Rohingya will be safe, voluntary and—

Mr Speaker: Order. We have got the gist of it.

Penny Mordaunt: I think the hon. Lady for her question because it affords me the opportunity to remind the House what these people have fled. They should have a say in what happens to them, and we absolutely agree that those returns must be voluntary, safe, dignified and sustainable, but those conditions are far from being met.

Sir William Cash (Stone) (Con): Would I be right in assuming that my right hon. Friend will use my International Development (Gender Equality) Act 2014, which imposes a statutory obligation on every penny of her Department’s budget, to protect women and children in all matters in Myanmar and Bangladesh?

Penny Mordaunt: I absolutely will do that. Yesterday, as has already been mentioned, we launched further policy to strengthen our humanitarian efforts in that respect, and particularly towards women and children. We have also drawn on our defence capabilities to build capacity in the Bangladesh police force to keep everyone in the camps safe.

T4. Imran Hussain (Bradford East) (Lab): Many of my Rohingya constituents have family in the refugee camps in Bangladesh who are fleeing persecution—

Mr Speaker: Order. The hon. Gentleman is asking about the conditions of life for occupants of refugee camps. I know there is an air of expectation, but I just remind colleagues that we are discussing some of the poorest, most vulnerable and most marginalised people on the face of the planet. I ask for due respect.

Imran Hussain: Thank you, Mr Speaker. Many of my Rohingya constituents have family in the refugee camps in Bangladesh who are fleeing persecution and who wish to join their family in the UK, as they are entitled to do. They continue to face obstacles and unnecessary bureaucracy, however, so what are the Government doing in the refugee camps to help to reunite families?

Penny Mordaunt: If any hon. Member of this House has individual cases, I would be very happy to discuss any cases that hon. Members have.

Michael Fabricant (Lichfield) (Con): In relation to the work undertaken by the Department to combat modern slavery, will the Secretary of State take this opportunity to praise our former colleagues Anthony Steen and Sir John Randall for the work that they have done?

Penny Mordaunt: I am very happy to do that. They have made a huge contribution to an agenda that is one of our Prime Minister’s priorities. We are stepping up our efforts to ask other nations to lean in and follow suit.

T5. Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What is the Department doing to help end preventable child deaths from pneumonia by 2030?
Penny Mordaunt: I am keen that the myriad health and vaccination programmes funded by my Department yield more than the sum of their parts. We can also use these programmes to set up sustainable healthcare systems in those countries. One of my priorities is to join up the programmes to yield primary care services in the countries with which we work.

Jeremy Lefroy (Stafford) (Con): Will my right hon. Friend lead an international effort to support developing countries in creating jobs and livelihoods for young people?

Penny Mordaunt: I know my hon. Friend. Friend wants us to set up a dedicated fund for that cause, and I am looking at options for what we might do. He is right that we need to create more jobs to enable countries to collect taxes and set up public services, and he will see much more of that under my tenure.

T6. [903345] Mrs Emma Lewell-Buck (South Shields) (Lab): Recognising that Yemen is gripped by the world’s worst humanitarian crisis, Norway recently suspended its arms sales to Saudi Arabia. Why won’t the UK?

Alistair Burt: Again, as the House knows, arms sales are very carefully controlled. Every case is looked at, and serious scrutiny is provided both by this House and through the law. The coalition, which is backed by the United Nations, is dealing with an insurgency in Yemen, and it faces serious challenges from rockets fired towards its own territories. We are working to apply the law rigidly.

Tom Pursglove (Corby) (Con): This Government have rightly been at the forefront of the international fight against modern slavery. Does my right hon. Friend believe that we can spread around the world some of the best practice learned here?

Penny Mordaunt: My hon. Friend is right. In addition to the leadership we have shown and the work my Department does, there is more we can do to harness the power of technology to prevent people from falling victim to slavery and trafficking.

Several hon. Members rose—

Mr Speaker: One short sentence please, Patrick Grady.

T7. [903346] Patrick Grady (Glasgow North) (SNP): What are the UK Government doing to address the civil rights situation in Honduras, where Jesuit priests and others are being intimidated for questioning the validity of recent elections? If DFID cannot intervene in this, will the Secretary of State raise it with the Foreign Secretary?

Mr Speaker: There were a couple of semicolons in there!

Penny Mordaunt: I speak regularly with the Foreign Secretary about all these issues, and I would be happy to discuss that one. As we look at the footprint we have across this world and wish to do more to engage with more of the world, it is extremely important that we have that oversight of what is happening on the ground. We wish to help developing nations—not just their economies, but their human rights and civil society.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [903348] Catherine McKinnell (Newcastle upon Tyne North) (Lab): If she will list her official engagements for Wednesday 17 January.

The Prime Minister (Mrs Theresa May): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Catherine McKinnell: The Government must take responsibility for their role in the mess now left by Carillion. Thousands of staff face unemployment, and small and medium-sized suppliers face going bust, but I am concerned for the 1,400 Carillion apprentices, some of whom I have met locally. It is not good enough to pass the back to CITB—the Construction Industry Training Board—so will the Prime Minister guarantee today that every one of those apprentices will be able to complete their training and will be paid?

The Prime Minister: I recognise that this has been a difficult time for a number of people, who are concerned about their jobs, public services and their pensions. I want, first, to provide reassurance to all employees working on public services for Carillion that they should continue to turn up to work, confident in the knowledge that they will be paid for the work they are providing. But of course the Government are not running Carillion; the Government are actually a customer of Carillion, and our focus has been on ensuring that we are providing the public services—that they are continuing to be provided uninterrupted; on reassuring workers in those public services that they will get paid; on reassuring the pensioners and making sure the support is there for them—

Ian Lavery (Wansbeck) (Lab): What about the apprentices?

The Prime Minister: Yes, I am coming on to the apprentices, but it is important that government is undertaking its role to ensure that the services it provides are continuing to be provided. I assure the hon. Lady that we are aware of the issues around apprentices, which is why the Minister with responsibility for that will be looking very carefully at what action can be taken.

Q5. [903352] Simon Hoare (North Dorset) (Con): What better way to start the Year of Engineering than by seeing manufacturing output at its highest level in a decade and productivity on the up? May I invite my right hon. Friend to commit her Government to securing and supporting UK manufacturing and the important exports it delivers?

The Prime Minister: I am very happy to give my hon. Friend that commitment from the Government. He is absolutely right: it is very pleasing to see the figures the Office for National Statistics produced last week, which showed that production has now grown for eight months—
the longest streak since 1994—and manufacturing output is at its highest since February 2008. And earlier this month, we saw that productivity growth has had its best quarter since 2011. That shows that our economy remains strong and that we are continuing to deliver secure, better-paid jobs. We will continue to do that and support our manufacturing sector.

Jeremy Corbyn (Islington North) (Lab): In the last six months, the Government have awarded more than £2 billion-worth of contracts to Carillion. They did so even after the share price was in freefall and the company had issued profit warnings. Why did the Government do that?

The Prime Minister: It might be helpful if I just set out for the right hon. Gentleman that a company’s profit warning means it believes it will not make as much profit as it had expected to make. If the Government pulled out of contracts, or indeed private sector companies pulled out of contracts, whenever a profit warning was issued, that would be the best way to ensure that companies failed and jobs were lost. It would also raise real issues for the Government about providing continuing, uninterrupted public services. Yes, we did recognise that it was a severe profit warning, which is why we took action in relation to the contracts that we issued. We ensured that all but one of those contracts was a joint venture. What does that mean? It means that another company is available to step in and take over the contract. I say to the right hon. Gentleman that this was not just about the Government issuing contracts; actually, we see that the Labour-run Welsh Government issued a public sector contract after the profit warning last July, and only last week a public sector auditor announced that Carillion was its preferred bidder. Was that the Government? No—it was Labour-run Leeds City Council.

Jeremy Corbyn: For the record, Leeds has not signed a contract with Carillion. It is the Government who have been handing out contracts. It is the Government’s responsibility to ensure that Carillion is properly managed.

Between July and the end of last year, Carillion’s share price fell by 90% and three profit warnings were issued. Unbelievably, the Government awarded some contracts even after the third profit warning. It looks like the Government were either handing Carillion public contracts to keep the company afloat, which clearly has not worked, or were just deeply negligent of the crisis that was coming down the line.

The Prime Minister: I am very happy to answer the right hon. Gentleman that this is obviously a situation that is changing as decisions are being taken, but my understanding is that a number of facilities management contractors have now come to an agreement with the official receiver that means that their workers will continue to be paid. It is important to say that the official receiver is doing its job and working with those companies.

Jeremy Corbyn: Well, they clearly were not looking very well. Carillion went into liquidation with debts that we now understand to be £1.29 billion and a pension deficit of £600 million. At the same time, the company was paying out ever-increasing shareholder dividends and wildly excessive bonuses to directors. From today, 8,000 Carillion workers on private sector contracts will no longer be paid, but the chief executive will be paid for another 10 months—one rule for the super-rich, another for everybody else. Will the Prime Minister assure the House today that not a single penny more will go to the chief executive or the directors of this company?

The Prime Minister: First, I say to the right hon. Gentleman that this is obviously a situation that is changing as decisions are being taken, but my understanding is that a number of facilities management contractors have now come to an agreement with the official receiver that means that their workers will continue to be paid. It is important to say that the official receiver is doing its job and working with those companies.

The right hon. Gentleman raises the issue of bonuses, and people are of course concerned about the issue and are rightly asking questions about it. That is why we are ensuring that the official receiver’s investigation into the company’s business dealings is fast-tracked and that it looks into not just the conduct of current directors, but previous directors and their actions. In reviewing payments to executives, where those payments are unlawful or unjustified, the official receiver has the powers to take action to recover those payments. It is important that the official receiver is able to do its job.

What is also important is that the Government’s job is to ensure that public services continue to be provided, and that is what we are doing. The right hon. Gentleman said earlier that it was the Government’s job to ensure that get huge public contracts. This is a question that the Prime Minister needs to answer: why did the position of Crown representative to Carillion remain vacant during the crucial period August to November, when the profit warnings were being issued, the share price was in freefall, and many people were very worried?

The Prime Minister: I am afraid I have to say to the right hon. Gentleman that of course—

Emily Thornberry (Islington South and Finsbury) (Lab): Just answer the question!

The Prime Minister: I will indeed answer the question, but I know that the shadow Foreign Secretary has herself praised Carillion in the past for its work.

To answer the right hon. Gentleman, there is obviously now a Crown representative who has been fully involved in the Government’s response. Before the appointment of the Crown representative to replace the one who had previously been in place, the Government chief commercial officer and the Cabinet Office director of markets and suppliers took over those responsibilities, so it was not the case that there was nobody from the Government looking at these issues. That is standard procedure, and it ensured that there was oversight of Carillion’s contracts with the Government during the appointment process for the Crown representative.

Jeremy Corbyn: Well, they clearly were not looking very well. Carillion went into liquidation with debts that we now understand to be £1.29 billion and a pension deficit of £600 million. At the same time, the company was paying out ever-increasing shareholder dividends and wildly excessive bonuses to directors. From today, 8,000 Carillion workers on private sector contracts will no longer be paid, but the chief executive will be paid for another 10 months—one rule for the super-rich, another for everybody else. Will the Prime Minister assure the House today that not a single penny more will go to the chief executive or the directors of this company?
that Carillion was properly managed, but we were a customer of Carillion, not the manager of Carillion—a very important difference. It is also important that we have protected taxpayers from an unacceptable bail-out of a private company.

Jeremy Corbyn: When Carillion went into liquidation, many contractors were still unpaid. The company was a notorious late payer, taking 120 days to pay and placing a huge burden on small companies. That is four times longer than the 30 days in the prompt payment code that Carillion itself had signed up to. Why did the Government allow a major Government contractor to get away with that? Will the Prime Minister commit to Labour’s policy that abiding by the prompt payment code should be a basic requirement for all future Government contracts?

The Prime Minister: Of course we look at the behaviour of companies that we contract with in relation to payments. The question of prompt payments has been brought up in this House for as long as I have been in this House, and work is always being done on it, but the right hon. Gentleman has raised an important point about the impact of Carillion’s liquidation on small companies. That is why the Business Secretary and the City Minister held a roundtable with the banks this morning to discuss credit lines to small and medium-sized enterprises and to make it clear that SMEs are not responsible for Carillion’s collapse. The Business Secretary has also held further roundtables today with representatives of small businesses, construction trade associations and trade unions—workers’ unions—to ensure that we are on top of the potential effects on the wider supply chain. It is right that we look at those very carefully and that we take action. It is also right that, through the Department for Work and Pensions, we put in place support for any workers who find themselves no longer employed as a result of this.

Jeremy Corbyn: It is a bit late for one subcontractor. Flora-tec, which was owed £800,000 by Carillion, has already had to make some of its staff redundant because of the collapse. This is not an isolated case of Government negligence and corporate failure; it is a broken system. Under this Government, Virgin and Stagecoach can spectacularly mismanage the east coast main line and be let off a £2 billion payment, Capita and Atos can continue to wreck lives through damaging disability assessments of many people with disabilities and win more taxpayer-funded contracts, and G4S can promise to provide security for the Olympics but fail to do so, and the Army had to step in to save the day. These corporations need to be shown the door. We need our public services to be provided by public employees with a public service ethos and a strong public oversight. As the ruins of Carillion lie around her, will the Prime Minister act to end this costly racket of the relationship between Government and some of these companies?

The Prime Minister: I might first remind the right hon. Gentleman that a third of the Carillion contracts were let by the Labour Government. What we want is to provide good-quality public services delivered at best value to the taxpayer. We are making sure in this case that public services continue to be provided, that the workers in those public services are supported and that taxpayers are protected. What Labour opposes is not just a role for private companies in public services but the private sector as a whole. The vast majority of people in this country in employment are employed by the private sector, but the shadow Chancellor calls businesses the real enemy. Labour wants the highest taxes in our peace-time history, and Labour policies would cause a run on the pound. This is a Labour party that has turned its back on investment, on growth and on jobs—a Labour party that will always put politics before people.

Q13. [903360] Paul Scully (Sutton and Cheam) (Con): I thank the Prime Minister for visiting Cheam on Saturday where she heard from local residents about the poor services provided by the complacent Lib-Dem council. People should not have to settle for second best. Does she agree that we need to unlock the potential of Sutton, and indeed of London, on 3 May by giving residents across London the opportunity to get great services and value for money by voting Conservative?

The Prime Minister: I was very happy to join my hon. Friend on the doorsteps in Cheam and to hear from people about the issues to do with Liberal Democrat services in Sutton and Cheam, particularly those around rubbish bins. I believe that there are now up to six bins per household. I am beginning to think that the council is trying to go for one bin for every Liberal Democrat Member of Parliament. He is absolutely right: the evidence is that Conservatives deliver better services at less cost to the council tax payer. While we are talking about costs to the council tax payer, only last week the then shadow Fire Minister announced that Labour policy was to put up council tax on every average house and typical home by £320. People should know that a vote for Labour is a vote to pay more.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Can the Prime Minister tell the House what official advice she has had on the impact of the UK economy from leaving the EU single market and when she requested any such advice?

The Prime Minister: Of course, as we go through the Brexit negotiations, we are constantly looking at the impact that decisions that are taken will have on our economy. What we want to ensure is that we maintain good access—a good comprehensive free trade agreement—with the European Union and also, as we leave the European Union, that we get good free trade agreements with other parts of the world.

Ian Blackford: Nineteen months after the EU referendum, the Prime Minister has not a shred of economic analysis on the impact of leaving the single market. On Monday, the Scottish Government published their second analysis paper revealing some horrifying facts: leaving the single market will cost each Scottish citizen up to £2,300 a year. On Monday, the Scottish Government published their second analysis paper revealing some horrifying facts: leaving the single market will cost each Scottish citizen up to £2,300 a year. How many jobs have to be lost and how much of a financial hit will families have to take before the Prime Minister recognises the folly of leaving the single market?

The Prime Minister: The right hon. Gentleman asks me for economic analysis. Well, I will give him some economic analysis. We saw the figures this morning for GDP growth in Scotland. In the third quarter, GDP in
Scotland grew by 0.2%. In the rest of the United Kingdom, it grew by 0.4%. Over the past year, GDP in Scotland—under a Scottish National party Government in Scotland—grew by 0.6%. In the United Kingdom as a whole, it grew by 1.7%. My economic analysis is that 1.7% is higher than 0.6%; you’re better off with a Conservative Government than an SNP one.

Q14. [903361] Sir Henry Bellingham (North West Norfolk) (Con): Will the Prime Minister look at the case of my late constituent, Ann Banyard, who was badly injured by a fleeing shoplifter? She recently died, partly because of those injuries, at the young age of 70. Her claim to the Criminal Injuries Compensation Authority has been delayed and the family fear that it may lapse completely. Will the Prime Minister join me and our local paper, the Lynn News, in supporting this case, and will she make it clear that the rights of victims should always be at the heart of our criminal policy?

The Prime Minister: My hon. Friend is right to put the case for the rights of victims, and he is absolutely right that we should always remember victims. I am very sorry to hear the case of his late constituent, Ann Banyard, and I know that the whole House will join me in offering condolences to her family in this tragic case. As my hon. Friend knows, the Criminal Injuries Compensation Authority administers the criminal injuries compensation scheme and applies the rules independently of the Government, but I am sure that the Justice Secretary would be happy to meet my hon. Friend to discuss the case.

Q2. [903349] Mr Tanmanjeet Singh Dhesi (Slough) (Lab): After the internationally embarrassing news of the Tory council leader from my neighbouring Royal Borough of Windsor and Maidenhead and his deplorable attitude to the homeless regarding the royal wedding, and the recent put-downs to the Prime Minister and our Government by President Trump, will the Prime Minister confirm whether she actually wants an invite to be extended for the royal wedding and a state visit to the “very stable genius” from the United States who, by the way, seems to be copying all the buzzwords from this not so “strong and stable” Government?

The Prime Minister: The hon. Gentleman knows that we have a special and enduring relationship with the United States. An invitation for a state visit has been extended to President Trump, although I have to say that I am not responsible for invitations to the royal wedding. The hon. Gentleman referenced the Royal Borough of Windsor and Maidenhead Council. He should be aware that it has taken a number of actions to support vulnerable residents, including those who are homeless, with the establishment of an emergency night shelter that is open 365 days a year; a day service attached to that, providing support services to vulnerable residents; and a comprehensive seven-day-a-week service for the homeless or those at risk of homelessness. The council also applied the severe weather emergency protocol and offered accommodation to, I think, 32 homeless people on the streets, of whom 21 took up the accommodation and 11 did not.

Q15. [903362] Scott Mann (North Cornwall) (Con): Cancer can strike anyone, no matter where they live in the UK. The Sunrise Appeal in Cornwall has raised £3 million since the year 2000 to fund equipment and buildings for cancer care, but proposals by the NHS could see radiotherapy services move from Cornwall to Devon. This would mean many constituents having to travel hundreds of miles to access treatment many times a week. These proposals are unacceptable to my constituents and the vast majority of people in Cornwall. Does the Prime Minister agree that travel times should be taken into account when making these decisions, and will she join me in encouraging the people of Cornwall to respond to the NHS consultation?

The Prime Minister: My hon. Friend raises an important point. We want to ensure that patients get the best cancer services and that they get access to treatment in a timely fashion. Of course, the length of time it takes patients to travel to that treatment is an important issue. We are establishing radiotherapy networks, which will review access issues and service provision on a regular basis and address any shortcomings in the area. That is backed up by £130 million for new and upgraded radiotherapy machines. My hon. Friend is absolutely right that these decisions should be taken primarily at a local level, and I join him in encouraging the people of Cornwall to respond to the consultation.

Q3. [903359] Jeff Smith (Manchester, Withington) (Lab): Last week, my constituent Carol’s son had a mental health crisis. He was admitted to the nearest available psychiatric adult bed—in West Sussex, a 450-mile round trip from his home and family in Manchester. The lack of mental health beds is a national crisis and scandal, so when will Prime Minister turn her warm words on mental health into action to solve the crisis?

The Prime Minister: Obviously I am sorry to hear of the experience of the hon. Gentleman’s constituent. We are turning our words on putting a priority on mental health into action. Is there more for us to do? Yes. That is why we are continuing to put an emphasis on this. We do see more people being able to access mental health services every day. We have increased the number of people having access to therapies. We have increased the funding that is available for mental health. There is more for us to do, but we are putting more money in and we are taking more action on mental health than any previous Government.

Sir Desmond Swayne (New Forest West) (Con) rose—

[Interruption.]

Mr Speaker: Order. The right hon. Gentleman is extremely alert, and I am alert to what he is going to say.

Sir Desmond Swayne: A question keeps me awake at night: how will companies be encouraged to follow the Prime Minister’s lead in the way that Iceland has done?

The Prime Minister: I am very pleased to say that this week Iceland has made a commitment to be plastic-free. We have seen other companies make commitments to ensure that any plastics they use are recyclable over a number of years. I am very happy to join my right hon. Friend in saying that we will be encouraging companies to follow Iceland’s lead. We will also be consulting on how the tax system or the introduction of charges could further reduce the amount of waste we create. We are
launching a new plastics innovation fund, backed up by additional funding that the Government are investing in research and development to ensure that we really do reduce the amount of plastic that is used and leave the environment of this land in a better state than we found it.

Mr Speaker: We can all learn about brevity, myself included, from the right hon. Gentleman.

Q4. [903351] David Linden (Glasgow East) (SNP): Margo Laird has profound mental health difficulties. She was put on to universal credit in January 2016 and subsequently received a 276-day sanction. A judge recently ruled that that sanction was wrong, and it has been overturned. Will the Prime Minister agree to look into Margo Laird’s case, but above all, will she apologise to Margo?

The Prime Minister: Obviously I am sorry to hear of the case that the hon. Gentleman has set out. I am very happy to ensure that that case is properly looked into.

Andrea Jenkyns (Morley and Outwood) (Con): Following Transport for the North’s announcement on Northern Powerhouse Rail, will the Prime Minister confirm her Government’s commitment to investing in northern transport infrastructure and ensuring that the northern powerhouse materialises?

The Prime Minister: I am very happy to give that commitment to the northern powerhouse and to giving the great cities across the north the transport infrastructure that they need to be able to develop the northern powerhouse. We are spending a record £13 billion to transform transport across the north. We have made Transport for the North the first ever statutory sub-national transport body and backed that up with £260 million of Government funding. It has published its draft strategic plan for consultation. I would hope that all Members with an interest in this issue engage in that consultation and make sure that their views and their constituents’ views are heard.

Q5. [903352] Carol Monaghan (Glasgow North West) (SNP): His Holiness Pope Francis has this week condemned hostility to migrants, saying that communities across Europe must open themselves without prejudice to the rich diversity of immigrants. As a committed Christian, would the Prime Minister agree with Pope Francis that hostility to migrants is a sin?

The Prime Minister: This country has a fine record, over not just decades but centuries, of welcoming refugees and ensuring that people can come to this country and make their home in this country, and that is what we will continue to do.

Zac Goldsmith (Richmond Park) (Con): John Worboys is likely to be one of the worst sex attackers our country has ever known. When he was in court, he denied his guilt; he was continuing to deny his guilt up until two years ago: he dismissed his crimes as “banter”; and only last year he was deemed too dangerous to be put into open release conditions. The short sentence he has served is an insult to his victims and shows a contempt for justice. Does the Prime Minister agree that the decision must now be judicially reviewed and that the police should immediately reassess those cases which were not tried in court?

The Prime Minister: I thank my hon. Friend for raising this. This case has rightly raised deep concern among the public, but also among Members across this House. As my hon. Friend will know, the Parole Board is rightly independent of Government, and even in sensitive cases such as this, we must ensure that that independence is maintained and we do not prejudice decisions. It has decided to approve John Worboys’s release, with stringent licence conditions, but my right hon. Friend the Justice Secretary has made it clear that he is taking legal advice on the possibility of a judicial review of that decision. It is also the case that the Justice Secretary has said he will be conducting a review to look at options for change and at the issue of the transparency of decisions by the Parole Board. Public protection is our top priority. I think people are often concerned when they see decisions of the Parole Board being taken and they are not aware of the reasons behind them. There may be limits to what can be done, but I think it is right that we look into this case and question the issue of transparency.

Q7. [903354] Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): A constituent of mine has informed me that she was repeatedly raped and beaten by her ex-partner, requiring an injunction. Much to her horror, her bank would not close their joint account unless she attended with the perpetrator. When banks are left to their own discretion, women’s lives are put at risk. Will the Prime Minister ensure policy to protect survivors is included in the pending domestic violence Bill?

The Prime Minister: The hon. Lady clearly raises a very distressing case. We want to ensure that we give proper support to all those who have been subject to domestic violence or to abuse of the kind to which the hon. Lady has referred. The Home Secretary will be issuing a consultation shortly on the proposed domestic violence legislation and that will be an opportunity for issues such as this to be raised.

Damien Moore (Southport) (Con): A brutal attack occurred in my constituency over the weekend in which Cassie Hayes, a young woman, tragically died. Will the Prime Minister extend her sympathies to the family of Cassie and pay tribute to the hard work of the emergency services who attended the scene?

The Prime Minister: My hon. Friend told me about this very distressing case last night. It is a horrific case. I extend my sympathies, and I am sure the whole House extends its sympathies and condolences, to Cassie’s family and friends following her tragic death. I also congratulate the emergency services on the action that they took. From the description that my hon. Friend gave me last night, I think we should also have some thought and care for all those who, sadly, were witnesses to this particular incident—through no fault of their own, other than happening to be in a particular premises at a particular time.
Q8. [903355] **David Simpson** (Upper Bann) (DUP): The Prime Minister will be aware that Northern Ireland has not had a Government now for over a year, and decisions need to be taken to protect our health service, education and local communities. Does she agree that, in the absence of a Government being formed, it is imperative that her Government take the decision to appoint direct rule Ministers as soon as possible, so that a budget can be put forward to deal with this urgent problem?

**The Prime Minister:** We are committed to re-establishing a fully functioning, inclusive devolved Administration that works for everyone in Northern Ireland. I do not underestimate the challenges that remain involved here, but we still believe that a way forward can be found and an agreement can be reached. I would say it is imperative, therefore, that the parties re-engage in intensive discussions aimed at resolving the outstanding issues, so that the Assembly can meet and an Executive can be formed. We do recognise, however, that we have a responsibility to ensure political stability and good governance in Northern Ireland. Obviously, as I say, our priority is ensuring that we can work with the parties to re-establish the devolved Government in Northern Ireland, but we recognise the need to ensure that Northern Ireland can continue to operate and that public services can continue to be provided.

**Derek Thomas** (St Ives) (Con): I thank the Prime Minister for her response to my hon. Friend the Member for North Cornwall (Scott Mann). NHS England and this Government are investing a further £130 million in radiotherapy treatment for rare and less common cancers, but will she confirm, and reassure my constituents, that cancer treatment for rare cancers?

**The Prime Minister:** As I said in response to the question from my hon. Friend the Member for North Cornwall (Scott Mann), we recognise the importance of ensuring that people have access to the treatments that they require, and we recognise the issues that people sometimes face in relation to travelling to the centres where those services are available. This is primarily a decision to be taken at local level and, as I did earlier, I encourage people to take part in the consultation and to respond to it so that local views can truly be heard and taken into account.

Q9. [903356] **Nic Dakin** (Scunthorpe) (Lab): My constituent, Chris Robinson, has to wait 52 weeks for her pain relief treatment, instead of the 18 weeks that a properly funded national health service would deliver. How much longer will it take for the Prime Minister to sort things out?

**The Prime Minister:** We are putting more money, as the hon. Gentleman knows, into the national health service. In the autumn Budget, the Chancellor of the Exchequer put a further £2.8 billion into the national health service, but if we are looking at the issues of treatment across the national health service, we have to be very clear that, while Labour’s answer is always just more money, it is about ensuring that all hospitals across the NHS operate and act in accordance with best practice. We have world-class hospitals in our NHS—we want to ensure that they are all world class.

Huw Merriman (Bexhill and Battle) (Con): I understand that London has been mentioned as a potential host for the Bayeux tapestry. Given that visitors to London who wish to see two sides chucking things at each other are well catered for in the Public Gallery, may I ask the Prime Minister to put in a very good word for Battle abbey in East Sussex, where viewers could not only see the tapestry but look through the window and see the rolling East Sussex countryside where sadly the Normans gave the Saxons six of the best?

**The Prime Minister:** It is very significant that the Bayeux tapestry is going to come to the United Kingdom and that people will be able to see it. I hear the bid that my hon. Friend has put in, but from a sedentary position on the Front Bench my right hon. Friend the Home Secretary, who represents Hastings, put in a bid on that particular issue. I am sure that we will look very carefully at that to ensure that the maximum number of people can have the benefit of seeing the tapestry.

Q10. [903357] **Alex Norris** (Nottingham North) (Lab/Co-op): The Prime Minister pledged to consign slavery to the history books. However, the National Audit Office says that the Home Office has not set out how a reduction would be measured; it does not set clear anti-slavery activity; it does not know what activity is going on across Government; and it does not monitor business compliance with the Modern Slavery Act 2015. Is the Prime Minister satisfied with that analysis of her flagship policy, and what action will the Government take?

**The Prime Minister:** It is this Government, and I in my former role of Home Secretary, who introduced the Modern Slavery Act. It is this Government who improved the response to victims and the response of the police in catching perpetrators. More cases have been brought to prosecution, and more victims are willing and able to come forward, and have the confidence to do so. Have we dealt with the problem? Of course there are still problems out there, but we want to ensure, as my right hon. Friend the International Development Secretary said in International Development questions, not just that we take action in the United Kingdom but that we work with countries where women are trafficked into this country and with other countries to eliminate modern slavery across the world, and that is exactly what we are doing.

Victoria Prentis (Banbury) (Con): Members across the House have sung for Syrians. Last week, in Idlib, a clinic and kindergarten that we support were bombed. Will the Prime Minister join me in paying tribute to the bravery of the staff of the Hands Up Foundation who continue to work there and in reassuring ordinary Syrians that in the seventh year of this terrible war we have not forgotten them?

**The Prime Minister:** My hon. Friend has been a great champion of charities working in Syria, particularly Singing for Syrians, and I am very happy to join her in praising the bravery of all those working for the Hands Up Foundation as well as others working for other charities in the region doing valuable and important work. We continue to make every effort to achieve our goals in Syria, which of course include defeating the
scourge of Daesh but also ensuring that we achieve a political settlement that ends the suffering and provides stability for all Syrians and the wider region. We also continue to provide significant humanitarian assistance—£2.46 billion to date.

Q11. [903358] Imran Hussain (Bradford East) (Lab): Can the Prime Minister tell me why the failed Wakefield Cities Academy Trust was allowed to take over schools in Bradford, even though concerns about it were raised as far back as 2015, and will she give me an assurance today that the hundreds of thousands of pounds taken from schools in my constituency, which is one of the poorest in the country, will be returned immediately?

The Prime Minister: We of course have a priority to ensure that children across the country, whether in the north or the south, receive a great education. Of course, seven of our 12 opportunity areas that are providing that support are in the north or the midlands. That is the frontline of our approach to tackling inequality in education outcomes. The hon. Gentleman is concerned about northern schools. We are taking forward recommendations on the northern powerhouse schools strategy. We are putting record levels of funding into our schools and have announced increased funding over the next two years.

Neil O’Brien (Harborough) (Con): In Market Harborough, I and local charities will be holding a meeting to discuss how we can fight the problem of loneliness in our community. At the national level, what is the Prime Minister doing to implement the important recommendations of the Jo Cox Commission on Loneliness?

The Prime Minister: My hon. Friend raises an important issue. He is absolutely right that for too many people loneliness is the sad reality of modern life, and we know that loneliness has an impact not only on mental health, but on physical health. Later today I will be pleased to host a reception at No. 10 Downing Street for the Jo Cox Foundation to look at the issue. I think that the work that Jo Cox started, which has been continued by my hon. Friend the Member for South Ribble (Seema Kennedy) and the hon. Member for Leeds West (Rachel Reeves), is very important. I am pleased to say that the Government have appointed a Minister for loneliness. This is an important step forward. Of course there is more to do, but it shows that we recognise the importance of the issue. I pay tribute to all Members of the House who have championed the issue.

Q12. [903359] Stephen Timms (East Ham) (Lab): Universal credit was meant to remove benefit traps, but the Department for Education wants to base eligibility for free school meals on an income threshold, so if a family earning just below the threshold gets a small pay rise or an increase in hours, they will immediately lose the benefit of the free school meals and end up much worse off. It is a far worse benefit trap than anything in the old benefits system. Surely one Department should not be torpedoing the Government’s aim of getting rid of benefit traps in that way.

The Prime Minister: As the right hon. Gentleman knows, we believe that universal credit is a better system because it is simpler than the benefits system it replaces, it encourages people to get into work, and it ensures that the more they earn, the more they keep. Our proposals mean that once universal credit has been fully rolled out, 50,000 more children will be eligible for free school meals than were under the old system.

Alberto Costa (South Leicestershire) (Con): May I welcome the great speech that the Prime Minister made on the environment last Thursday? It is right that she, and indeed the Conservative party, support companies that promote sustainable growth, but does she also agree that any commercial development must now take into account the needs of the environment?

The Prime Minister: I thank my hon. Friend for his comments on the speech, which was about the 25-year environment plan that the Government have published. It is an important step that we have taken to ensure that we leave our environment in a better state than we found it. I agree that all too often people see economic growth and environmental protection as opposites; they are not. It is absolutely possible for us to ensure that we protect our environment while producing economic growth, not least because of the innovative technologies that we can develop to ensure that environmental protection.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr, Llywydd. The people of Wales have been taking back control since 1999, but the European Union (Withdrawal) Bill will put our powers back under lock and key in Westminster. My colleague Steffan Lewis AM is today proposing a Welsh continuity Bill to ensure that our powers are at liberty. When this Plaid Cymru Bill wins a majority in our Assembly, will the Prime Minister support it and respect Wales’s sovereignty?

The Prime Minister: The hon. Lady’s portrayal of what is happening in the EU (Withdrawal) Bill is simply wrong. We are working with the devolved Administrations to deal with the issues that have been raised about clause 11 and the question of powers that need to remain at UK level to secure our internal market, and extra powers will be devolved to the devolved Administrations. We continue to work with the devolved Administrations on this and we will be bringing forward amendments in the House of Lords to clause 11. We want to ensure that it meets the needs of the UK and of the devolved Administrations.
12.51 pm

Clive Lewis (Norwich South) (Lab): On a point of order, Mr Speaker. I hope to get your advice on an exceptionally serious issue, which has been brought to me by a whistleblower in my constituency, relating to the East of England Ambulance Service. It has been put to me that the service became critically overstretched as a result of high demand on 19 December. At that point, senior operational managers wanted to move to REAP4, which is the highest state of emergency, and seek mutual aid, most likely from the armed forces. However, that decision was not taken until 31 December, some 12 days later. Even then, aid was not requested by senior management.

I have been informed that, during that period, 20 people died in incidents when ambulances arrived late. If that is true, it raises serious questions for the trust and the Government as to why REAP4 was not declared and no aid was sought; what potentially avoidable deaths resulted from those decisions; and, above all, how we can avoid that ever happening again. Given that this is, quite literally, a matter of life and death, can you advise me, Mr Speaker, on how I may urgently seek answers to those questions from the Secretary of State for Health and Social Care?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and for his characteristic courtesy in giving me advance notice of his intention to raise it. The answer is twofold. First, he should undertake the short journey from the Chamber to the Table Office in order to table such questions—there may be many—to which he seeks answers from the Secretary of State for Health and Social Care. The hon. Gentleman may already be working on these matters now; if not, I am sure he will apply hot, wet towels over his head as he prepares his line of questioning.

Secondly, the hon. Gentleman may seek to consult his colleagues on the Opposition Front Bench if he wishes a party view to be taken on this matter and the issue to be pursued not only from the Back Bench, but by his fellow Members of the Front Bench. Meanwhile, he has aired his concern, and it will have been heard on the Treasury Bench.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): On a point of order, Mr Speaker. It has come to my attention via a story by Peter Geoghegan on the website The Ferret that the Under-Secretary of State for Exiting the European Union, the hon. Member for Winchester (Steve Brine), misquoted what I said in the course of the debate. I tried to intervene to correct the matter, but he would not take my intervention. He said that I had said the NHS is a political entity. Had he taken my intervention, I would have explained that the very existence of the NHS, which of course was created by a Labour Government, and the

Margaret Greenwood (Wirral West) (Lab): On a point of order, Mr Speaker. During a debate on the NHS winter crisis last Wednesday, the Under-Secretary of State for Health, the hon. Member for Winchester (Steve Brine), misquoted what I said in the course of the debate. I tried to intervene to correct the matter, but he would not take my intervention. He said that I had said "This might include an unpaid employment or directorship". I seek your counsel, Mr Speaker—

Mr Speaker: Order. I am immensely grateful—I cannot tell the hon. Gentleman how grateful I am to him—but I do not think that any further words from him are required. I shall give a response, and then I shall invite the hon. Gentleman concerned to respond, if he wishes.

I am grateful to the hon. Member for West Dunbartonshire (Martin Docherty-Hughes), of course, for raising this concern, but let us be absolutely clear—I say this for the benefit of Members of the House and those attending to our proceedings—that responsibility for registration or declaration rests with the Member concerned, not with the Chair. If another Member—or, indeed, anyone else, for that matter—has reason to believe that a Member has failed to register or to declare an interest, that person should write to the Parliamentary Commissioner for Standards for an investigation in accordance with procedures approved by the House. Whether a Minister has breached the ministerial code is, of course, a matter for the Prime Minister.

As the hon. Gentleman has raised his point—if I may say so, in some painstaking detail—it seems only fair to offer the hon. Member concerned, the Minister at the Department for Exiting the European Union, the opportunity to reply if he so wishes. I must emphasise that I do not want a precedent to be set here. He is under absolutely no obligation to respond on the Floor of the House, but if he wishes to do so, let us give him the opportunity.

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker): Further to that point of order, Mr Speaker. I am happy to tell the House that I resigned my trusteeship of the Cobden Centre within days of taking up my post in DEFExEU, knowing that with the centre’s interest in free trade, in particular, that might be considered relevant. I resigned, if my memory serves me, on 17 June. I very much regret that an administrative error was made by others after my departure, and I have asked them to correct it.

Mr Speaker: I am grateful to the hon. Gentleman. That response was clear. If others wish to continue discussing the matter, they can do so, but they should not do so in this Chamber. I am deeply obliged to the hon. Gentleman for what he has said.
way in which it operates are reliant on the political decisions made in this Parliament. I feel that the Minister owes me an apology, and I also feel that he owes an apology to this House. I wonder whether you could advise, Mr Speaker, on how such apologies may be secured.

Mr Speaker: I am very grateful to the hon. Lady for giving me advance notice of her intention to raise this matter. I will just inquire of her whether she has given notice of this to the Minister concerned.

Margaret Greenwood: I have not.

Mr Speaker: The hon. Lady should have given notice to the Minister concerned, but I will not dwell on that point; it speaks for itself. Nevertheless, I would say to the hon. Lady that if the Minister feels, having heard what she has said, that he has been inaccurate, it is open to him, and would normally be expected of him, to correct the record. Meanwhile, the hon. Lady has made her view of the matter clear, and it is on the record.

I hope that the hon. Lady will not take it amiss if I say that, notwithstanding the importance of the matter that she raises—not least to her—it is not uncommon for Members of this House to be, or to feel that they have been, misquoted or misrepresented. Some of us have some decades’ experience of this. I very gently counsel the hon. Lady, while perfectly legitimately pursuing the matter, if she so wishes, not to allow the matter to disrupt her sleep pattern.

Private Landlords (Registration)

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

12.58 pm

Phil Wilson (Sedgefield) (Lab): I beg to move,

That leave be given to bring in a Bill to require all private landlords in England to be registered; and for connected purposes.

Over the years, one of the key issues consistently raised with me by my constituents has been the role played by some private landlords and their tenants in the local community. Let me say up front that the majority of private landlords are responsible. As always, there are those who do not fall into that category—private landlords who do not care about their tenants or who they rent to, or the communities in which their properties are placed; all they are interested in is the rent they can secure, and nothing else.

The whole policy area surrounding the regulation of private landlords is frustrating. It is failing to solve the problems faced by local communities, local authorities are stretched beyond their ever-shrinking budgets, and local people feel neglected. I now believe it is time to consolidate regulation on private landlords, underpinned by a mandatory licensing scheme to help to remedy some of the disquiet felt by people in Sedgefield and throughout the country.

Once, Durham’s economy was based on coal: 100,000 miners worked down 100 collieries and, with their families, lived in tight-knit communities. Many of the colliery villages thrived in that economy—villages such as Ferryhill, Fishburn, Chilton, the Trimdons, Wheatley Hill, Wingate, Thornley and West Cornforth. They all had and have one architectural characteristic in common: row upon row of back-to-back colliery terraces. Now, years after the end of the coalmining era, they have become the preserve of private landlords, and in some areas a hotspot for neglect and crime.

Some residents who have lived in the local area for years and remember earlier times can tell better than most how it has changed. To help to resolve the problem, selective licensing schemes have been introduced in the county, with some success, but they can be administratively burdensome and very staff intensive. The council’s accreditation scheme is voluntary and attracts only the good landlords. A mandatory registration scheme would place the onus on the landlord. In 2008, the Labour Government ordered a review of the private rented sector. In response to the review, in May 2009 the Government outlined their intention to introduce a national mandatory register of the private landlord sector, but the general election intervened and the coalition Government decided not to take the proposal forward.

By the time of the 2011 census, the number of private rented homes in the county had increased by 78% to nearly 16,000 properties, or 14% of the housing stock. Half of that stock consists of typical colliery terraced housing, which is difficult to sell and difficult to let. Also, there are about 4,000 long-term empty homes in Durham. They are empty for different reasons: some are inherited, some are part of the estates of deceased persons with no living relatives, and some are left empty because the owners have moved on and cannot sell their property; while other properties are bought by investors and left empty through choice. Under current legislation,
properties can stand empty for as long as the owners like, and their only duty is to ensure that accessible windows and doors are secure. This leads some properties to become an attraction for antisocial behaviour, arson and fly-tipping. The county council informs me that it sometimes takes weeks or even months to track down the owner of a property so that a problem can be addressed.

I have been working on this issue with the police and crime commissioner for Durham, Ron Hogg. The police are concerned about the effect that a high concentration of private landlords has on areas of high deprivation. Ron Hogg’s office has provided me with data from the Office for National Statistics showing that nationally there is a link between the prevalence of private landlords in areas of high deprivation and levels of crime. In Wheatley Hill in my constituency— one of the most deprived communities in the county, where the number of people who are economically inactive due to long-term sickness or a disability is almost three times the national average— 43% of households in an area of the village that is of concern to the local authority and agencies are private lets, of which 30% are standing empty. The crime figures for the village are equally startling: in 2017 there were 122 crimes per 1,000 head of population, whereas the average for County Durham is only 77 per 1,000 head of population.

The lack of information on private landlords leads to an increased workload for the police. In one incident, a property in County Durham was being used for drug taking. The police had the previous landlord’s details and later discovered the details of the new landlord, but did not have a contact number. Letters were written to him, but it took a fixed penalty notice from environmental health to make him contact the council. The tenants who had caused the problems had moved on by this time due to rats in the property, but the house had also beenashed. Had the landlord’s information been available at the start, the issue could have been resolved quickly, instead of dragging on for seven months. In another incident, a police constable reported that he had attended an empty private rented property after an arson. It was in the process of being burgled. Two arrests were made. Local letting agents and the council were contacted, but no one knew who the landlord was. Those arrested were released under investigation because the matter could not be recorded as a crime without an injured party. If the landlord’s details had been known, charges could have been brought.

Ron Hogg has said about the private landlord sector: “Not only are large numbers of properties unfit for habitation... but the lack of control over the market is resulting in the breakdown of many of our communities and in many cases resulting in increases in crime and disorder.”

He goes on: “This is costly to local communities and costly to the state— too much police time is being spent dealing with problems that could be avoided if it were possible to identify the landlords and provide enforcement at an earlier stage.”

Mr Hogg says: “Only a mandatory private landlord registration scheme, administered by local authorities and funded by private landlords and fines from enforcement, can create a situation where this can be brought under control.”

Chief Constable Simon Cole of Leicestershire police, who is the National Police Chiefs Council portfolio lead for antisocial behaviour, has said that “it would be helpful to local policing if local authorities had to have a register of private landlords so that they can fulfil their responsibilities in protecting vulnerable people.”

Chief Constable Mike Barton of Durham constabulary has said: “A mandatory register would save time and public money for the whole range of organisations delivering services in areas where antisocial behaviour is common... It would mean that police and our partners... would be much better placed to nip problems in the bud rather than being unable to carry out enforcement on unidentifiable landlords, often based hundreds of miles away. I am sorry to say that, too often, such people couldn’t care less about the misery their indifference causes to decent hard working families”.

I, those who work in local government, the police and, more importantly, the communities we serve want attention to be paid to this issue, which has been neglected, or at best addressed with piecemeal legislation from those who believe a light touch is best. Light touch is not good enough if you have to live with the consequences of inadequate resources to chase people who do not care.

How would a mandatory registration scheme work? Under such a scheme, to rent out property a landlord would have to register, pay a fee and adhere to a strict code of compliance. The code should require all landlords to manage their properties to ensure they are fit to live in, with tenancies managed in such a way that any issues are addressed immediately. The scheme should be administered by individual local authorities with appropriate budgets attached. Revenue would be raised by a registration fee, with tough fines imposed for failing to adhere to the code. Tenants’ rights should be enshrined in law, and fit-for-habitation certification procedures introduced. A mandatory scheme should make data sharing between statutory agencies easier. That would bring in revenue to the Exchequer by ensuring that all such incomes were registered for tax purposes, and enable statutory agencies, the police and HMRC to co-operate more effectively to tackle landlords who are not prepared to play by the rules. The benefits would be improved quality of life in our communities, reduced demand on policing, reduced demand and cost to local authorities, and potentially increased revenue to the Exchequer. This would be a self-funding scheme administered locally.

Before some people start mentioning red tape, I point out that the Immigration Acts 2014 and 2016 require private landlords to check the immigration status of their tenants. Non-compliance can lead to a fine of up to £3,000. It would seem that national schemes can be implemented when we want them to be.

I believe that a mandatory scheme would look after the best interests of private landlords, their tenants and the communities in which they are located. The people of Wheatley Hill and similar communities deserve the security such an initiative would offer.

1.8 pm

Sir Christopher Chope (Christchurch) (Con): Let me say at the outset that I understand that the hon. Member for Sedgefield (Phil Wilson) has issues in his constituency, about which he has spoken eloquently. However, I believe that his Bill is a totally disproportionate response to a local matter. I have always been of the opinion that any Member of this House who wishes to introduce a Bill should be able to do so—I have presented a fair number
of my own, so I will not oppose the hon. Gentleman’s request to be given leave to bring in a Bill—but I wish to put on record the fact that I will not support his Bill.

There is great pressure on this House to pass ever more regulation. That regulation needs to be necessary, effective and proportionate, and having heard the hon. Gentleman’s speech, I believe that his Bill fails all three tests. I speak as the chair of the all-party parliamentary group for the private rented sector, which is sponsored by the Residential Landlords Association. Among the APPG’s distinguished vice-chairs is the hon. Member for Westminster North (Ms Buck), whose private Member’s Bill comes before the House on Friday. That Bill is strongly supported by the Residential Landlords Association. I wish to impress on the hon. Gentleman that while the RLA is perfectly rational in its approach to this issue and shares his dismay at there being so many bad landlords, it recognises that by far the majority in this country are responsible and good landlords, and that the last thing they need is another stealth tax placed upon them, which is what he is proposing.

I share the view articulated by the Secretary of State for Housing, Communities and Local Government when he said that

“public safety is paramount and I am determined to do everything possible to protect tenants. That is why government will support new legislation that requires all landlords to ensure properties are safe and give tenants the right to take legal action if landlords fail in their duties.”

Let us deal with the substance of the matter and ensure that where there are bad landlords, every facility is made available to ensure that tenants can get proper redress against them. At the moment—let us not dispute this—responsibility is given to local authorities to enforce the legislation already on the statute book. That responsibility is to enforce housing standards in rented homes. As a result of a freedom of information request, the RLA found that in 2016-17, among the 296 councils in England and Wales that responded, there were just 467 prosecutions of landlords. This averages out at just over 1.5 per council. In the same year, councils received 105,359 complaints regarding landlords. That is an indication that, although the responsibility lies with councils, they are not fulfilling it.

The hon. Gentleman’s Bill would impose on councils the additional burden of maintaining a register of landlords and then carrying out enforcement against those who have not signed it. The inevitable consequence of his proposal is that once again the responsible landlord—the person who lets a house to family members or lodgers, or who brings into use a family home that would otherwise be empty—would end up being penalised and brought before the courts, but there would be no impact on bad landlords, whom I assume, on the basis of his definition, would include those thousands of people who are illegally sub-letting social housing, despite that already being a criminal act that is subject to criminal sanctions. Why do we not deal with that? Why do we not enforce existing laws against bad landlords and those who are illegally sub-letting social housing?

Another reason to oppose the hon. Gentleman’s proposal is that it would have a disproportionate impact on the law-abiding. Ultimately, it would be another deterrent to people letting their properties. Labour Members often refer to the slogan “property is theft” and try to create an atmosphere in which every private landlord is regarded as scum. I am just trying to redress the balance and make it clear to those who wish to legislate against bad landlords that we already have an enormous amount of relevant legislation on the statute book. It might well be that the Bill being debated on Friday will be an additional part of that legislation, but setting up an expensive, bureaucratic registration system is the last thing we need.

Question put (Standing Order No. 23) and agreed to.

Ordered,

That Phil Wilson, Anna Turley, Bridget Phillipson, Grahame Morris, Graham P Jones, Mr Kevan Jones, Stephen Timms, Ian Austin, Gareth Snell, Liz Kendall, Toby Perkins and Conor McGinn present the Bill.

Phil Wilson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 27 April, and to be printed (Bill 152).

Helen Goodman (Bishop Auckland) (Lab): On a point of order, Mr Speaker. I understand that the hon. Member for Christchurch (Sir Christopher Chope) felt very strongly about the ten-minute rule Bill that my hon. Friend the Member for Sedgefield (Phil Wilson) just presented, but given that he did not call for a vote or oppose the Bill, was it in order for him to make a speech criticising it?

Mr Speaker: Yes, it was perfectly orderly. The truth is that although the hon. Gentleman did not then seek to divide the House, he was, even though he politely and gently indicated otherwise, opposing the Bill. The technical position is very clear: he was opposing the Bill—he was expressing his opposition to it. Possibly in the interests of time, however, or for other reasons—it is not my responsibility to fathom his motives—he did not seek to divide the House. His behaviour, as usual, was orderly.
European Union (Withdrawal) Bill

[2ND ALLOCATED DAY]
Further consideration of Bill, as amended in the Committee

New Clause 1
RETAINING ENHANCED PROTECTION

“(1) A Minister may use regulations provided for by an Act of Parliament other than this Act to amend, repeal or modify retained EU law if, and only if, the use of the regulation is necessary to maintain or enhance rights and protections.

(2) The procedure in subsection (3) applies if a Minister of the Crown proposes to use regulations provided for by Acts of Parliament other than this Act to amend, repeal or modify retained EU law in the following areas—

(a) employment entitlement, rights and protection,
(b) equality entitlements, rights and protection,
(c) health and safety entitlement, rights and protection,
(d) consumer standards, or
(e) environmental standards and protection.

(3) A Minister of the Crown must—

(a) produce an explanatory document which must explain why the regulation is necessary to maintain or enhance rights and protections,
(b) consult for a period of no less than 12 weeks after the publication of the explanatory document with—

(i) organisations, and persons who are likely to be affected by the proposals, including representative bodies;
(ii) the Law Commission, the Scottish Law Commission or the Northern Ireland Law Commission in such cases as the Minister considers appropriate; and
(iii) where the proposals relate to the functions of one or more statutory bodies, those bodies or persons appearing to the Minister to be representative of those bodies,

(c) give details of any representations received under the consultation provided including Ministerial responses.

(4) Any regulations to which this section applies may be made only if they have been approved by a resolution of each House of Parliament.”—[Matthew Pennycook.]"
New clause 4—Financial Settlement—

“The Chancellor of the Exchequer shall publish, within one month of Royal Assent of this Act, the full details of the methodology agreed between Her Majesty’s Government and the European Union as set out in the “Joint Report from the Negotiators on Progress During Phase 1” which was published on 8 December 2017.”

This new clause would ensure that the agreed methodology for calculating the financial settlement between the UK and the EU set out in the Joint Report from the Negotiators of 8 December 2017 are published and brought into the public domain.

New clause 5—Trade in Services—

“It shall be the objective of Her Majesty’s Government, in negotiating a withdrawal agreement, to secure the same rights, freedoms and access available to UK businesses trading in services as exists through the United Kingdom’s membership of the European Union, as if section 1 of this Act were not brought into effect."

This new clause would ensure that the negotiating objectives of Ministers would be to secure the same benefits for service sector trading businesses after exit day as are available under the existing Single Market and Customs Union arrangements by virtue of membership of the European Union.

New clause 6—Alteration to the notification under Article 50(2) of the Treaty on the European Union—

“Her Majesty’s Government shall publish a summary of the legal advice it has received in respect of the ability of the United Kingdom to extend, alter or revoke the notification, under Article 50(2) of the Treaty on the European Union, of the United Kingdom’s intention to withdraw from the EU.”

This new clause would require Ministers to place in the public domain a summary of the legal advice they have received concerning the options available for the United Kingdom in respect of the notification made under Article 50 of the Treaty on the European Union.

New clause 10—Governance and institutional arrangements—

“(1) Before exit day a Minister of the Crown must make provision that all powers and functions relating to any right, freedom, or protection, that any person might reasonably expect to exercise, that were exercisable by EU entities or other public authorities anywhere in the United Kingdom before exit day, and which do not cease to have effect as a result of the withdrawal agreement (“relevant powers and functions”) will—

(a) continue to be carried out by an EU entity or public authority;
(b) be carried out by an appropriate existing or newly established entity or public authority in the United Kingdom; or
(c) be carried out by an appropriate international entity or public authority.

(2) For the purposes of this section, relevant powers and functions relating to the UK exercisable by an EU entity or public authority include, but are not limited to—

(a) monitoring and measuring compliance with legal requirements;
(b) reviewing and reporting on compliance with legal requirements;
(c) enforcement of legal requirements;
(d) setting standards or targets;
(e) co-ordinating action;
(f) publicising information.

(3) Responsibility for any functions or obligations arising from retained EU law for which no specific provision has been made immediately after commencement of this Act will belong to the relevant Minister until such a time as specific provision for those functions or obligations has been made.”

This new clause would ensure that substantive rights and protections cannot be removed by the “back door”, and that the institutions and agencies that protect EU derived rights and protections are replaced to a sufficient standard so those rights and protections will still be enjoyed in practice.

New clause 11—Meaningful vote on deal or no deal—

“(1) The Prime Minister must publish and lay before both Houses of Parliament an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of any unratified agreement between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.

(2) Any agreement between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU may not be ratified unless—

(a) subsection (1) has been complied with,
(b) the House of Lords has considered a motion relating to the unratified agreement,
(c) the House of Commons has approved the unratified agreement by resolution,
(d) the statute mentioned in section 9 (approving the final terms of withdrawal of the United Kingdom from the European Union) has been passed, and
(e) any other legislative provision to enable ratification has been passed or made.

(3) If no agreement has been reached by 31 December 2018 between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union setting out the arrangements for the United Kingdom’s withdrawal from the EU, the Prime Minister must publish and lay before both Houses of Parliament within one month an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of leaving the EU under Article 50(3) of the Treaty on European Union without an agreement.

(4) If no agreement has been reached by 31 January 2019 between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union setting out the arrangements for the United Kingdom’s withdrawal from the EU,

(a) a Minister of the Crown must propose a motion in the House of Lords relating to the lack of an agreement, and
(b) a Minister of the Crown must propose a motion in the House of Commons approving the intention of the United Kingdom to leave the EU under Article 50(3) of the Treaty on European Union without a withdrawal agreement.

(5) Unless the House of Commons approves by resolution after 31 January 2019 the intention of the United Kingdom to leave the EU under Article 50(3) of the Treaty on European Union without a withdrawal agreement, the Prime Minister must either—

(a) reach an agreement before exit day between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU, or
(b) request the European Council for an extension of negotiation under Article 50(3) of the Treaty on European Union, or
(c) rescind the notice of intention under Article 50(2) of the Treaty on European Union to withdraw from the EU given in accordance with the European Union (Notice of Withdrawal) Act 2017 and request the European Council to accept that rescission.’

This New Clause would ensure that the Government assesses the impact of either an agreement or no deal on the UK economy and regions before a meaningful vote, and that if Parliament does not agree to the agreement or to no deal, then the Government must request a revocation or extension of Article 50.

New clause 12—Environmental protection after EU exit—

“(1) Before any exit day, the Secretary of State must publish a report detailing all EU environmental protections, powers and functions.
(2) The report pursuant to subsection (1) shall specify—
(a) all environmental legal protections which derive from EU law;
(b) the powers and functions relating to environmental protection or improvement exercised by EU institutions;
(c) the empowering provisions in EU law relating to those functions; and
(d) any loss of environmental protection, or the monitoring and enforcement of environmental protections, which may arise as a result of the UK’s exit from the EU.

(3) Before any exit day the Secretary of State must publish proposals for primary legislation (the “Draft Environmental Protection Bill”).

(4) The Draft Environmental Protection Bill must include provisions which would—
(a) ensure that the level of environmental protection provided by EU law on the day this Act receives Royal Assent is maintained or enhanced;
(b) make provision to remedy any loss of environmental protection, or the monitoring and enforcement of environmental protections, established in the report pursuant to subsection (1);
(c) create a statutory corporation (to be called “the Environmental Protection Agency”) with operational independence from Ministers of the Crown to monitor environmental targets previously set by EU law relating to environmental protection and other such environmental targets that may be set by Ministers of the Crown and international treaties to which the United Kingdom is party;
(d) require the statutory corporation in (4)(c) to report to Parliament every year on progress in meeting those targets and to make recommendations for remedial action where appropriate;
(e) allow the statutory corporation in (4)(c) to publish additional reports identifying action or omissions on the part of Ministers of the Crown that is likely to result in targets not being met; and
(f) extend to the whole of the United Kingdom.

(5) The Secretary of State must publish annual reports to Parliament on how environmental protections and the monitoring and enforcement of environmental protections have been affected by the United Kingdom’s exit from the EU.

(6) Before publishing a report pursuant to subsection (5) the Secretary of State must hold a public consultation on the effect of leaving the EU on environmental protection.

(7) The Secretary of State must publish and lay before each House of Parliament the first report pursuant to subsection (5) no later 29 March 2020 and each subsequent report must be published no later than the period of one year after the publication of the previous report.”

This new clause would require the Secretary of State to produce a report on the loss of environmental protection as a result of the UK’s exit from the EU, and to prepare an Environmental Protection Bill to make up for any loss of environmental protections, and the monitoring and enforcement of environmental protections. It would also require the Secretary of State to produce annual reports which make an assessment of the impact of the UK’s withdrawal from the EU on UK environmental protection.

New clause 14—Maintaining individual rights and protections

“(1) When making any agreement under subsection (2), the Secretary of State shall take steps to ensure that UK citizens enjoy standards of rights and protections equivalent to those enjoyed by citizens of the EU under EU law.

(2) This section applies to—
(a) any agreement between the United Kingdom and the EU which prepares for, or implements, the UK’s withdrawal from the EU;
(b) any international trade agreement—
(i) between the UK and the EU, or
(ii) between the UK and another signatory which seeks to replicate in full or in part the provisions of an international trade agreement between the EU and the other signatory.

(3) In relation to any agreement under subsection (2), the Secretary of State will maintain the highest standards of transparency.”

This new clause creates a duty for the Government to ensure that individual rights and protections are maintained to a level equivalent to (although not necessarily the same as) those in the EU when making agreements with the EU or international trade agreements.

New clause 15—Non-regression of equality law—

“(1) Any EU withdrawal related legislation must be accompanied by a statement made by a Minister of the Crown certifying that in the Minister’s opinion the legislation does not remove or reduce protection under or by virtue of the Equality Acts 2006 and 2010.

(2) In subsection (1) “EU withdrawal related legislation” means—
(a) any statutory instrument under this Act;
(b) any statutory instrument made by a Minister of the Crown wholly or partly in connection with the United Kingdom’s withdrawal from the EU; and
(c) any Bill presented to Parliament by a Minister of the Crown which is wholly or partly connected to the United Kingdom’s withdrawal from the EU.”

This new clause would ensure that legislation in connection with withdrawal from the EU does not reduce protections provided by equality law.

New clause 17—Effect of losing access to EU single market and customs union—

“(1) The Prime Minister must publish and lay before both Houses of Parliament an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of any unratified agreement (“the Agreement”) between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.

(2) The assessment in subsection (1) must so far as practicable analyse the expected difference in outcomes between the Agreement and continued participation in the EU single market and customs union.

(3) The assessment in subsection (1) must be prepared by the Treasury and must include separate analyses from the National Audit Office, the Office of Budget Responsibility, the Government Actuary’s Department, and the finance directorates of each of the devolved Administrations of the methodology and conclusions of the Treasury assessment.

(4) A statute of the kind mentioned in section 9 (approving the final terms of withdrawal of the United Kingdom from the European Union) may not come into effect until the Prime Minister’s assessment under subsection (1) has been—
(a) debated by each House of Parliament, and
(b) approved by resolution of the House of Commons.”

This purpose of this New Clause is to ensure that the alternative of remaining in the EU single market and customs union is formally considered by Parliament on the basis of an independently validated economic assessment before any statute approving the final terms of withdrawal takes effect.

New clause 18—Consultation on environmental governance and principles—

“(1) Within one month of Royal Assent, the Secretary of State must consult on and bring forward proposals to—
(a) provide that all powers and functions relating to the environment or environmental protection that were exercisable by EU entities or other public authorities
anywhere in the United Kingdom before exit day which do not cease to have effect as a result of the withdrawal agreement are fully carried out.

(b) introduce primary legislation to establish a new independent environmental regulator with the purpose of, responsibility for, and appropriate powers to oversee the implementation of, compliance with and enforcement of environmental law and principles by relevant public authorities.

(c) incorporate EU environmental principles in primary legislation as a basis for relevant decision-making by UK public bodies and public authorities.

(d) establish a process for the publication of a national environmental policy statement or statements describing how the environmental principles will be interpreted and applied.

(2) EU Environmental principles include but are not limited to—

(a) the precautionary principle;
(b) the principle that preventive action should be taken to avert environmental damage;
(c) the principle that environmental damage should as a priority be rectified at source;
(d) the polluter pays principle;
(e) the principle that environmental protection requirements must be integrated into the definition and implementation of policies and activities, in particular with a view to promoting sustainable development;

(3) In carrying out a consultation under this section, the Government must—

(a) consult with the devolved authorities;
(b) be open to responses for at least two months; and
(c) consider the resources and legal powers that the proposed regulator under (1)(b) will need in order to properly carry out its functions.

This new clause enshrines the Government’s stated intentions in respect of the environmental principles and the establishment of a new independent environmental regulator. It sets out the minimum standards for consultation on these matters.

New clause 20—Citizens’ Jury on Brexit Negotiations—

“(1) A citizens’ jury shall be established to enable UK citizens to be consulted on the progress of negotiations between the UK and the EU on the withdrawal of the UK from the EU, and the approach outlined in UK Government White Papers.

(2) The citizens’ jury shall in total be composed of exactly 1501 persons.

(3) Members of the citizens’ jury shall be randomly selected by means of eligibility from UK citizens on the current electoral register as registered on the date of this Act receiving royal assent, with allocation across the 9 UK Government Regions, Scotland, Wales and Northern Ireland weighted by population, and a stratification plan, with the aim of securing a group of people who are broadly representative demographically of the UK electorate across characteristics including whether they voted Leave or Remain.

(4) The jury will be broken down into individual sittings for each of the 9 UK Government Regions in England, as well as Scotland, Wales and Northern Ireland.

(5) The sittings will be for no more than 72 hours at a time, facilitated by independent facilitators, and if required, by electing fore-people from within their number.

(6) Membership of the jury will be subject to the same regulations and exceptions as a regular jury, but membership can be declined without penalty.

(7) The citizens’ jury will be able to require Ministerial and official representatives of the UK Government and the Devolved Administrations to give testimony to them to inform their work, and to have the power to invite other witnesses to give evidence as required.

(8) The citizens’ jury shall publish reports setting out their conclusions on the negotiations and UK Government White Papers.

(9) The first report from the citizens’ jury shall be published within two months of this Act receiving Royal Assent, and subsequent reports shall be published at intervals of no more than two months.

(10) Costs incurred by the citizens’ jury shall be met by the Exchequer.”

New clause 21—Environmental protection and improvement: continuation of powers and functions—

“(1) The Secretary of State must establish and maintain a publicly accessible register of EU environmental powers and functions.

(2) The register produced pursuant to subsection (1) shall specify—

(a) the specific powers and functions relating to environmental protection or improvement exercised by EU institutions;
(b) the EU institution previously responsible for exercising those powers and functions; and
(c) the empowering provision in EU law relating to those powers and functions.

(3) The register produced pursuant to subsection (1) shall include the following functions—

(a) monitoring and measuring compliance with legal requirements;
(b) reviewing and reporting on compliance with legal requirements;
(c) enforcement of legal requirements;
(d) setting standards or targets;
(e) co-ordinating action; and
(f) publicising information including regarding compliance with environmental standards.

(4) Within one month of Royal Assent, the Secretary of State must—

(a) publish and lay before Parliament a statement identifying those powers and functions identified in the public register established under subsection (1) that will continue to be exercised by EU institutions or, alternatively, the existing or proposed new public authorities to which these powers and functions will be transferred; and
(b) make Regulations containing provisions to ensure that all relevant powers and functions relating to environmental protection or improvement exercisable by EU institutions anywhere in the United Kingdom before exit day continue on and after exit day.”

This new clause would ensure oversight of the transfer of functions from EU institutions to domestic institutions, by requiring the Government to establish a publicly accessible register of environmental governance functions and powers exercised by EU institutions, and to make regulations that ensure that all relevant environmental powers and functions are continued.

New clause 22—Dealing with deficiencies arising from withdrawal – further provisions—

“(1) This section applies where there is a deficiency in retained EU law on and after exit day in respect of which regulations have not been made under section 7.

(2) A deficiency includes, but is not limited to, retained EU law which—

(a) contains anything which has no practical application in relation to the United Kingdom or any part of it or is otherwise redundant or substantially redundant;
(b) confers functions on, or in relation to, EU entities which no longer have functions in that respect under EU law in relation to the United Kingdom or any part of it;
Amendment 2, in clause 7, page 5, line 6, leave out subsections (1) to (6) and insert—

“(1) A Minister of the Crown may by regulations make such provision as the Minister considers necessary to prevent, remedy or mitigate—

(a) any failure of retained EU law to operate effectively, or

(b) any other deficiency in retained EU law,

arising from the withdrawal of the United Kingdom from the EU.

(2) Deficiencies in retained EU law are where the Minister considers that retained EU law—

(a) contains anything which has no practical application in relation to the United Kingdom or any part of it or is otherwise redundant or substantially redundant,

(b) confers functions on, or in relation to, EU entities which no longer have functions in that respect under EU law in relation to the United Kingdom or any part of it,

(c) makes provision for, or in connection with, reciprocal arrangements between—

(i) the United Kingdom or any part of it or a public authority in the United Kingdom, and

(ii) the EU, an EU entity, a member State or a public authority in a member State,

which no longer exist or are no longer appropriate,

(d) makes provision for, or in connection with, other arrangements which—

(i) involve the EU, an EU entity, a member State or a public authority in a member State, or

(ii) are otherwise dependent upon the United Kingdom’s membership of the EU, and which no longer exist or are no longer appropriate

e) makes provision for, or in connection with, any reciprocal or other arrangements not falling within paragraph (d) which no longer exist, or are no longer appropriate, as a result of the United Kingdom ceasing to be a party to any of the EU Treaties,

(f) does not contain any functions or restrictions which—

(i) were in an EU directive and in force immediately before exit day (including any power to make EU tertiary legislation), and

(ii) it is appropriate to retain, or

g) contains EU references which are no longer appropriate.

(3) A deficiency within the meaning of subsection (1) includes any failure or other deficiency arising from the United Kingdom’s withdrawal from the EU together with the operation of any provision, or the interaction between any provisions, made by or under this Act, but does not include any modification of EU law which is adopted or notified, comes into force or applies only on or after exit day.

(4) Where this section applies, the retained EU law in respect of which the deficiency arises is to be interpreted in accordance with subsections (5) to (9).

(5) The retained EU law does not allow, prevent, require or otherwise apply to acts or omissions outside the United Kingdom.

(6) An EU reference is not to be treated, by reason of the UK having ceased to be a member State, as preventing or restricting the application of retained EU law within the United Kingdom or to persons or things associated with the United Kingdom.

(7) Functions conferred on the EU or an EU entity are to be treated as functions of the Secretary of State.

(8) Any provision which requires or would, apart from subsection (7), require a UK body to—

(a) consult, notify, co-operate with, or perform any other act in relation to an EU body, or

(b) take account of an EU interest,

is to be treated as empowering the UK body to do so in such manner and to such extent as it considers appropriate.

(9) In subsection (8)—

“a UK body” means the United Kingdom or a public authority in the United Kingdom;

“an EU body” means the EU, an EU entity (other than the European Court), a member State or a public authority in a member State;

“an EU interest” means an interest of an EU body or any other interest principally arising in or connected with the EU (including that of consistency between the United Kingdom and the EU);

“requires” includes reference to a pre-condition to the exercise of any power, right or function;

(10) This section ceases to have effect after the end of the period of two years beginning with exit day.”

This new clause provides a scheme for interpretation as a backstop where the transposition necessary to avoid deficiencies has not been effected by regulations made under Clause 7.
(e) amend, repeal or revoke the Human Rights Act 1998 or any subordinate legislation made under it,
(f) amend or repeal the Northern Ireland Act 1998 (unless the regulations are made by virtue of paragraph 13(b) of Schedule 7 to this Act or are amending or repealing paragraph 38 of Schedule 3 to the Northern Ireland Act 1998 or any provision of that Act which modifies another enactment),
(g) contain any provision the effect of which is that, in comparison with the position immediately before the exit date—
   (i) any right conferred on a person by retained EU law is either removed or made less favourable,
   (ii) any standard laid by retained EU law is lowered, or
   (iii) any remedy, procedure or method of enforcement, in relation to any rights or standards conferred by
       retained EU law, is made less effective, or
(h) amend, repeal or revoke the Equality Act 2010 or any subordinate legislation made under that Act."

This amendment restricts the Clause 7 powers so as to ensure they are only used as far as is necessary for the purposes of the Bill, that they do not abolish enforcement functions and that they do not reduce rights or protections.

Amendment 9, page 6, line 16, at end insert—
"(da) amend, repeal or revoke any retained EU law which implements a provision listed in Schedule [Exceptions for Directives etc.]."

This amendment, which is linked to NS1, would except EU Directives relating to workers' rights from the power to make regulations to remedy deficiencies in retained EU law.

Amendment 56, page 6, line 23, at end insert—
"(6A) Within three months of this Act receiving Royal Assent, and every three months thereafter, a report must be laid before each House of Parliament listing—
   (a) all deficiencies which Ministers of the Crown have identified would arise in retained EU law after exit
day but which they do not intend to prevent, remedy
   or mitigate in advance using the powers under subsection (1);
   (b) the reasons for each decision not to prevent, remedy or
       mitigate such deficiencies, and
   (c) an assessment of the consequences of that decision."

This amendment (linked with Amendment 55 provides for Parliamentary scrutiny of any decision not to use clause 7 powers to save retained EU law from being unable to operate effectively.

Amendment 59, in clause 9, page 7, line 16, at end insert—
"(5) No regulations may be made under this section until the Secretary of State has signed an agreement with the European Union guaranteeing that the United Kingdom will remain a permanent member of the EU single market and customs union.

This amendment would mean the UK would confirm its continued membership of the single market and customs union before Ministers of the Crown carry out any actions under Clause 9 of the Bill."

Amendment 10, in clause 14, page 10, line 40, leave out from “means” to the end of line 41 and insert
"the time specified by an Act of Parliament approving the final terms of withdrawal of the United Kingdom from the EU.”

This amendment would require exit day to be specified in a separate bill on the terms of withdrawal.

Amendment 39, page 11, line 37, at end insert
"and the arrangements for a status quo transitional period which encompasses—
   (a) a “bridging period” to allow new agreements to be reached satisfactorily between the United Kingdom
       and the European Union lastling as long as necessary for a full trade agreement to be ratified, and (b) an “adaptation period” to allow the phasing in of new
   requirements over time to provide for the implementation of changes to new agreements in an orderly and
       efficient manner.”

This amendment ensures that the meaning of “withdrawal agreement” is also taken to include a detailed transitional period with two distinct aspects, firstly allowing for a “bridging period” during which new agreements are concluded and secondly allowing for an “adaptation period” to give business and other organisations a period to adjust to those new arrangements.

Amendment 1, page 11, line 40, at end insert—
“(2A) Subsection (2B) applies if any “exit day” appointed in this Act is not in accordance with any transitional arrangements agreed under Article 50 of the Treaty of the European Union.

(2B) A Minister of the Crown may by regulations—
   (a) amend the definition of “exit day” in the relevant sections to ensure that the day and time specified are
       in accordance with any transitional arrangements agreed under Article 50 of the Treaty of the
       European Union,
   (b) amend subsection (2) in consequence of any such amendment.

(2C) Regulations under subsection (2B) are subject to the affirmative procedure.”

This amendment ensures that the Bill can facilitate transitional arrangements within the single market and customs union.

New schedule 1—Exceptions for directives etc.—

“The power to make regulations under subsection (1) of Clause 7 shall not apply to provisions listed in the Table.

ARTICLE 157 Treaty on the Functioning of the European Union (Equal pay for male and female workers)

COUNCIL DIRECTIVE NO 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security

COUNCIL DIRECTIVE NO 91/533/EEC of 14 October 1991 on an employer’s obligation to inform employees of the conditions applicable to the contract or employment relationship

COUNCIL DIRECTIVE NO 92/85/EEC of 19 October 1992 on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding (tenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC)

COUNCIL DIRECTIVE NO 94/33/EC of 22 June 1994 on the prevention and protection of young people at work

COUNCIL DIRECTIVE NO 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

COUNCIL DIRECTIVE NO 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP and the ETUC

COUNCIL DIRECTIVE NO 96/71/EC of 16 December 1996 concerning the posting of workers in the framework of the provision of services

COUNCIL DIRECTIVE NO 97/74/EC of 15 December 1997 extending, to the United Kingdom of Great Britain and Northern Ireland, Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

COUNCIL DIRECTIVE NO 97/75/EC of 15 December 1997 amending and extending, to the United Kingdom of Great Britain and Northern Ireland, Directive 96/34/EC on the framework agreement on parental leave concluded by UNICE, CEEP and the ETUC
COUNCIL DIRECTIVE NO 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC
COUNCIL DIRECTIVE NO 98/23/EC of 7 April 1998 on the extension of Directive 97/81/EC on the framework agreement on part-time work concluded by UNICE, CEEP and the ETUC to the United Kingdom of Great Britain and Northern Ireland
COUNCIL DIRECTIVE NO 99/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP
COUNCIL DIRECTIVE NO 99/63/EC of 21 June 1999 concerning the Agreement on the organisation of working time of seafarers concluded by UNICE, the European Community Shipowners’ Association (ECSA) and the Federation of Transport Workers’ Unions in the European Union (FST)
COUNCIL DIRECTIVE 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin
COUNCIL DIRECTIVE NO 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation
COUNCIL DIRECTIVE 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees’ rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses
COUNCIL DIRECTIVE 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees
DIRECTIVE 2003/41/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision
COUNCIL DIRECTIVE 2003/72/EC of 22 July 2003 supplementing the Statute for a European Cooperative Society with regard to the involvement of employees
DIRECTIVE 2005/56/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 October 2005 on cross-border mergers of limited liability companies
DIRECTIVE 2006/54/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast)
DIRECTIVE 2008/94 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2008 on the protection of employees in the event of the insolvency of their employer
DIRECTIVE 2008/104/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 November 2008 on temporary agency work
DIRECTIVE 2009/38/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of companies for the purposes of informing and consulting employees
COUNCIL DIRECTIVE 2010/18/EU OF 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC
DIRECTIVE 2010/41/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity

This new schedule, which is linked to Amendment 9, lists the EU Directives relating to workers’ rights which would be excepted from the power to make regulations to remedy deficiencies in retained EU law.

Government amendment 33.

Amendment 58, in schedule 7, page 48, line 7, at end insert—
“12A Any power to make regulations under this Act may not be exercised by a Minister of the Crown until 14 days after the Minister has circulated a draft of the regulations to the citizens’ jury appointed under section (Citizens’ jury on Brexit negotiations).”

The intention of this Amendment is to provide for a citizens’ jury to be consulted before regulations are made under this Act.

Government amendments 35 and 36.

Matthew Pennycook: I rise to speak to new clause 1 and amendments 2 and 1, which stand in my name and those of my right hon. and hon. Friends. As you are aware, Mr Speaker, this remaining group contains a significant number of important issues, and while I want to spend time talking to each of our three amendments, I am conscious that time is limited, so I will endeavour to keep my remarks as brief as possible.

As my hon. Friend the Member for Sheffield Central (Paul Blomfield) reminded the House yesterday, as far back as last March the Opposition set out six ways in which the Bill required improvement. The first was that it be drafted in such a way as to enable transitional arrangements after 29 March 2019 on the same basic terms as now—including being in a customs union with the EU and within the single market. The second was that the sweeping delegated powers in the Bill be circumscribed. The third was that it needed to contain clear and robust protection and enforcement mechanisms for all EU-derived rights, entitlements, protections and standards. Sadly, despite some small steps in the right direction, the Government have largely failed to respond in any meaningful way to the concerns we raised in relation to these three areas. The purpose of new clause 1 and amendments 2 and 1 is to press the Government once again to do something about each of them.

I turn first to new clause 1, the purpose of which is to ensure that retained EU law enjoys a form of enhanced protection from subordinate legislation contained in other Acts of Parliament. This is a highly technical matter but a crucial one for the rights and protections our constituents enjoy. Mr Speaker, you were not in the Chamber at the time, but hon. Members who were present will recall that the House debated clauses 2, 3 and 4 in great detail on day two of Committee, and I certainly do not intend to cover the same ground again today. As we heard again yesterday, however, there are very real problems that flow from the ambiguous and uncertain status of retained EU law—a problem to which we believe new clause 13, tabled by the right hon.
and learned Member for Beaconsfield (Mr Grieve), provides a pragmatic solution, or at the very least a sensible starting point for a conversation about how the status of this new category of law could be more clearly defined.

Leaving to one side the issues relating to the status of retained EU law—issues that I have no doubt the other place will return to at some length—there is another, related concern, and that is the vulnerability of this new category of law to subordinate legislation and what that means in practical terms for the rights, entitlements, protections and standards our constituents currently enjoy. I want to be very clear as to the argument I am making at this point, because when I first did so on day two of Committee, the debate was prone to veer off on to other related but distinct issues.

The concern I am highlighting does not relate to the issue of how Parliament is to scrutinise and, where necessary, approve the hundreds of statutory instruments that will flow from clause 7, as well as clauses 8, 9 and 17. We welcomed the Government’s acceptance of the amendments tabled by the hon. Member for Broxbourne (Mr Walker) and other members of the Procedure Committee, although we still believe that they do not go far enough, particularly in relation to the new sifting committee’s inability to request that Ministers revoke and remake specific statutory instruments.

Nor does the argument that I am advancing concern how the powers contained in this Bill might be used to amend, modify or repeal retained EU law. The specific issue that I am highlighting, and what new clause 1 seeks to address, is our serious concern that the Bill as drafted leaves retained EU law vulnerable to amendment, modification or repeal by subordinate legislation contained in numerous other Acts of Parliament.

Melanie Onn (Great Grimsby) (Lab): Is it not the case that workers’ rights have no privileged status under the Bill? Once the Bill becomes an Act, those rights can be picked off by secondary legislation. If the Government did so, they would be with us for decades—will in many cases enjoy the lowest possible legislative status, and consequently the wide range of rights and protections that flow from it will be more vulnerable than they were before. The Opposition have repeatedly emphasised that Brexit must not lead to any watering down or weakening of EU-derived rights, particularly rights and standards in areas such as employment, equality, health and safety, consumers and the environment. That is why we tabled new clause 58 in Committee. Setting out the reasons why the Government were opposed to new clause 58, the Solicitor General argued that it would

“fetter powers across the statute book that Parliament has already delegated.”

Furthermore:

“Relaying only on powers set out in this Bill to amend retained EU law would be insufficient”—[Official Report, 15 November 2017; Vol. 631, c. 418.]

In keeping with the constructive approach that we have taken towards the Bill throughout this process, we have engaged seriously with the Solicitor General’s argument, and new clause 1 is the result. Like new clause 58, it seeks to give retained EU law a level of enhanced protection, thus avoiding a situation in which laws falling within the new category might enjoy the lowest possible legislative status. It also accepts the defence put forward by the Solicitor General, and provides a mechanism whereby a Minister may use regulations provided for in other Acts of Parliament to amend, repeal or modify retained EU law, but only in cases in which it is necessary to maintain or enhance rights and protections, and only after consultation. In short, it concedes that there are many instances in which the status of subordinate legislation contained in other Acts of Parliament might be necessary, but seeks to reconcile its use with a presumption of enhanced protection.

Since the referendum, Ministers have repeatedly stated that the Government do not wish to see any rights and protections diminished as a result of our departure from the EU. That is also what the public expect, but it requires a level of protection that the Bill as it stands does not provide. We hope that the Government will engage seriously with the new clause and accept it, but we intend to press it to a vote if they do not.

Chris Stephens (Glasgow South West) (SNP): Is it not important for the public to be reassured about workers’ rights, given reports in the media of Cabinet discussions about scrapping the working time directive?

Matthew Pennycook: I think most of our constituents assume that the guarantees that they currently enjoy will continue. They will not know that many of these rights flow from and are underpinned by EU law, but they would expect them to be transposed in a way that would provide the same level of protection rather than the lowest possible legislative status. This is an issue to which we shall have to return, and one that the other place will no doubt tackle.

Amendment 2 seeks to further circumscribe the correcting powers contained in clause 7. Throughout this process, we have been at pains to argue that, to the extent that relatively wide delegated powers in the Bill are necessary, they should not be granted casually, and that when they are granted they should be limited whenever that is possible and practical. It is clear from their tabling of amendments 14 and 15, and consequential amendments, that the Government accept that there are shortcomings in the drafting of clause 7. We welcome the fact that the deficiencies identified in clause 7(2) will now form an exhaustive rather than an illustrative list—with the caveat, I should add, that the further deficiencies can be added at a later date. In effect, the list as drafted will be exhaustive unless Ministers subsequently decide that it is not. That is not perfect, but it does represent some progress.

Nevertheless, even with the incorporation of Government amendments 14 and 15, the correcting powers provided for which clause 7 provides are still too potent and too
widely drawn. Suggestions on day six of the Committee stage that the clause ought to stipulate that the correcting power should be used only when necessary have been ignored, as have concerns that the Bill as drafted does not guarantee that the powers and functions of entities such as the European Commission and other EU agencies will continue to operate with equivalent scope, purpose and effect after exit day. Concerns that the Bill as drafted could be used for a purpose other than that which was intended—specifically, that it has the potential to diminish rights and protections—have likewise been ignored.

On day six, the Government had the chance to justify the drafting of the clause in detail and to address each of those concerns, but they did not do so adequately. They were also given an enormous menu of options, in amendments tabled by Back Benchers in all parties, whereby the powers in the clause—and, indeed, similar powers elsewhere in the Bill—might be constrained. Amendments 14 and 15 represent the totality of their response. As I have said, they are a step in the right direction, but on their own they are not enough. That is why we tabled amendment 2, which addresses comprehensively the range of flaws contained in clause 7 so that the correcting power is reasonably and proportionately circumscribed. If the Government do not indicate that they have taken those concerns on board and are prepared to act on them, we will press the amendment to a vote.

Amendment 1 seeks to ensure that the Bill can facilitate transitional arrangements after 29 March 2019 on the same basic terms as now. The Opposition have argued for some time that we need a time-limited transitional period between our exit from the EU and the future relationship that we build with our European partners. We believe that, to provide maximum certainty and stability, that transitional period should be based on the same basic terms as now. That includes our being in a customs union with the EU and in the single market, both of which will entail the continued jurisdiction of the European Court of Justice for the period that is agreed. Our view is shared widely by businesses and trade unions, but for a long time it was considered to be anathema to the Prime Minister and senior members of her Cabinet.

Melanie Onn: I thank my hon. Friend for being so generous with his time. There are many cases, such as Marshalls Clay Products Ltd v. Caulfield and Gibson v. East Riding of Yorkshire Council, in which domestic courts have reached incorrect decisions on workers’ rights. If the European Court of Justice will no longer be the adjudicator after the transitional period, what will?

Matthew Pennycook: After the transitional period, the ECJ would not be the adjudicator. That would be dealt with as a matter of retained law. My hon. Friend has reinforced a point that I made earlier. We need a level of enhanced protection and the courts need clarity on how to interpret this new category of law, because if they do not have that clarity and certainty, they will be more vulnerable.

Sir William Cash (Stone) (Con): I hope shortly to be able to make a brief speech on that very subject, dealing with the question of whether or not there should be a power for the courts to disapply Acts of Parliament in relation to the matters to which the hon. Gentleman has referred.

Matthew Pennycook: I am not sure that that warranted an intervention, but I await the hon. Gentleman’s contribution with bated breath.

Geraint Davies (Swansea West) (Lab/Co-op): Further to the point made by my hon. Friend the Member for Great Grimsby (Melanie Onn), does my hon. Friend agree that either the institutions and agencies that currently enforce EU rights, privileges and protections should be maintained as EU agencies, or a transitional arrangement should involve agencies and institutions that will protect people’s rights in respect of, for instance, work, the environment and consumer issues?

Matthew Pennycook: I certainly believe that, when it is appropriate and when the country will derive benefit, we should continue to participate in EU agencies. The important point, however, is that when the functions and powers of EU agencies are transferred to either an existing or a new body, the purpose, scope and effect of the rights and protections that flow from those agencies should continue. That is one of the issues that clause 7 fails to address.

Returning to my earlier train of thought, all of this was why the Prime Minister’s Florence speech of last year was so welcome. It made it clear that Government policy was to seek, semantics about implementation versus transition aside, a time-limited period in which the UK and the EU would continue to have access to one another’s markets on current terms, and with Britain continuing to take part in existing security measures.

Crucially, the Prime Minister made it clear that this bridging arrangement would take place on the basis of “the existing structure of EU rules and regulations.” That quite clearly implied the acceptance of the jurisdiction of the ECI, as confirmed by the Prime Minister in an answer to the hon. Member for North East Somerset (Mr Rees-Mogg) in the weeks following the speech, when she stated:

“that may mean that we start off with the ECI still governing the rules we are part of”.—[Official Report, 9 October 2017; Vol. 629, c. 53.]

It is also set out in black and white in the phase 1 agreement.

1.30 pm

Chuka Umunna (Streatham) (Lab): With regard to the issue of transition or implementation, as the Government call it, does my hon. Friend agree that while it is of course necessary in particular to give time for our businesses to prepare, transition or implementation is no safe harbour if this Government are determined to pursue the extreme break from our relationship with the EU which have set out with their red lines? That is no safe harbour to jumping off a cliff; it just delays it, in fact.

Matthew Pennycook: I absolutely agree; and the unpicking of, or wheeling back from, some of the progress we felt had been made in the Florence speech is one of our concerns.
The Bill before us was drafted before the Florence speech, but rather than amend the Bill to reflect the evolution of Government policy outlined by the Prime Minister in that speech, the Government chose instead to fashion a legislative straitjacket for themselves in the form of enshrining “exit day” for all purposes in the Bill as 11 pm on 29 March 2019. Let us be clear: bringing forward amendments to stipulate that exit day for all purposes of the Bill had nothing to do with leaving the EU. The article 50 notification made our departure from the EU on 29 March 2019 a legal certainty, so, for the purposes of the Bill, exit day could be left in the hands of Parliament.

Peter Grant (Glenrothes) (SNP): The hon. Gentleman just used the phrase “legal certainty” in referring to our departure from the EU on 29 March 2019. Does that mean that he has seen legal advice that article 50 cannot be revoked? Is the Labour Front-Bench position that it is impossible, as opposed to politically inexpedient, to consider revoking article 50?

Matthew Pennycook: The hon. Gentleman tempts me down an avenue that has nothing to do with the point I am making, which is that it remains unclear why the Government tabled three exit day amendments to their own Bill which have sown further confusion. We do not know why they did that—whether it was driven by Tory party management considerations or some other reason. The effect of those Government amendments would have been to end the jurisdiction of the ECJ on 29 March 2019, thereby preventing agreement on a transitional period on current terms.

The Government clearly soon realised their mistake and to save face enlisted the right hon. Member for West Dorset (Sir Oliver Letwin), who is not in his place, to table amendments to loosen the legislative straitjacket they themselves had created. But his amendments, which the Government have accepted, only provide a limited form of flexibility. Ministers may now amend the definition of exit day in clause 14 for the purposes of the Bill if the date when the treaties cease to apply to the UK is different from 29 March 2019. However, there is good reason to argue that that power might not be sufficient to facilitate transitional arrangements after 29 March 2019 on the same basic terms as now. If it is not—this might end up being the most bizarre aspect of the Bill’s purposes of this Bill. It would ensure that this Bill can facilitate transitional arrangements on the same terms as now.

Mr Dominic Grieve (Beaconsfield) (Con): I think that is a virtual certainty in any event. On the basis of the Bill that the Government have promised the House for the end of this year, it seems to me that it will be a substitute for the arrangements under the existing European Communities Act, so I think that must be what is going to happen.

Matthew Pennycook: I agree, but what I would say—and why I would urge Members to support this amendment—is that it need not require the amendment of this Bill to allow the facilitation of transitional arrangements on the same terms in addition to the provisions that the right hon. and learned Gentleman is right to say will be needed in that further Act of Parliament.

We still believe that it should be Parliament, not Ministers, that decides exit day for the various purposes in the Bill. Our amendment 1 helpfully bolsters the position set out by the Prime Minister in the Florence speech by ensuring that this Bill can facilitate transitional arrangements on the same terms as now.

Given that this is, of course, Government policy, it is a wonder that the Government did not bring forward such an amendment themselves. They did not do so because they cannot agree on what the transition means. There can be no clearer evidence for that than the recent appointment of the hon. Member for Fareham (Suella Fernandes) to the Department for Exiting the European Union team, given her past form in seeking to actively undermine the policy position set out in the Florence speech by encouraging her colleagues to sign a European Research Group letter to the Prime Minister objecting to crucial aspects of it. It is ironic that those Tory MPs who voted for amendment 7 back in December are viewed by many as having betrayed the Government, while those who actively undermine stated Government policy appear to get promoted in quick succession.

Amendment 1 is simply an attempt to restore some common sense to the question of exit day for the purposes of this Bill. It would ensure that this Bill can facilitate any transitional arrangements agreed as part of the article 50 negotiations and that we avoid the ludicrous situation of potentially having to come back to amend this Bill in order to do so. It is in line with stated Government policy, and we therefore look forward to the Government not only accepting it, but welcoming it.

The Opposition have made it clear from the outset that a Bill of this kind is necessary to disentangle ourselves from the European Union’s legal structures and to ensure that we have a functioning statute book on the day we leave. But as we argued on Second Reading in September last year, this Bill is a fundamentally flawed piece of legislation. Sadly, despite the small number of welcome concessions, and the implications for the legislation of the defeat the Government suffered at the hands of amendment 7 and the right hon. and learned Member for Beaconsfield (Mr Grieve) on 12 December, it remains a fundamentally flawed Bill. Those flaws still need to be addressed either by this House today or in the other place, and on that basis I urge all hon. Members to support new clause 1 and amendments 2 and 1.

Mr Kenneth Clarke (Rushcliffe) (Con): I am glad to see my right hon. Friend the Member for New Forest West (Sir Desmond Swayne) in his place behind me, where I always welcome him. When I arrived, I inquired whether he had had a cup of coffee before today’s long proceedings, and I undertake to try to have no soporific effects on those Members who have survived to the eighth day of this Committee and Report stage.

I do not intend to follow entirely the hon. Member for Greenwich and Woolwich (Matthew Pennycook), although I listened to many of the points he made with considerable sympathy; I am quite sure that clause 7 will require more work when it gets to another place. And I also have considerable sympathy with what he said about the confusion now surrounding exit day and the ability to proceed to what I am sure is the obvious transition arrangement we are going to have to have for
quite a long time, which will be on precisely the same terms that we have at the moment, so far as access to the market is concerned.

I will turn my attention, however, to the Bill’s impact on the economy, following from new clause 17, which is in this selection and strikes me as excellent, and several more of the same kind. In our eight days, the House has not had anything like adequate opportunities to consider this absolutely vital policy implication of what we are embarked upon as we seek to leave the EU. I do not share the view that the Bill needs to be treated in this House or the other place as a mere technical or necessary Bill of legal transition; we have the opportunity to put into the Bill some of the essential aspects of our future economic relationship and to allow the House to express a view and put into statute things that we wish, and instruct in line with our constitution, the Government of the day to follow.

There is undoubtedly going to be some economic cost to this country, regardless of the means by which we eventually leave the European Union. If we have a complete break with no deal, the implications could be very serious indeed. I am one of those who think it rather foolish to try to put precise figures on this. The Scottish National party earlier tried to make precise estimates of what would happen because a think-tank had put out a range of consequences, depending on which options were followed. It was rather reminiscent of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side of the arguments put forward by the then Chancellor of the Exchequer when he tried to help the remain side.

Peter Grant rose—

Mr Clarke: As I have mentioned the SNP, I will give way to the hon. Gentleman.

Peter Grant: Clearly, any forecast or projection is going to be approximate, and I do not think that anyone is claiming that the Scottish Government’s figures are precise. But would the right hon. and learned Gentleman prefer to defend a position that was backed up by approximations and forecasts that may or may not be accurate, or would he prefer to be in the Government’s position of defending a position backed up by no impact analysis whatever?

Mr Clarke: I shall turn to that in a moment, but I agree with the hon. Gentleman entirely. I was not making a criticism of the think-tank, which has done its best, but we all know from experience that all economic forecasting should be taken with a slight grain of salt. It is utterly beyond the capacity of either the Treasury or the most expert outside groups to predict with absolute confidence what the precise consequences will be.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Will the right hon. and learned Gentleman give way?

Mr Clarke: I would like to move on. I was merely making a passing remark about the unwisdom of trying to put a figure on this, but I will give way.

Stephen Doughty: I am grateful to the right hon. and learned Gentleman. I wonder, given that he is talking about the impact on the economy, whether he has heard the remarks by Christophe Bondy, the legal counsel to the Canadian Government during the Comprehensive Economic and Trade Agreement negotiations. He has described Brexit as being like trying to “blow up a bridge without bankrupting yourself” at the same time. He has also said that the Canadian deal and our coming out of the single market and customs union are very different.

Mr Clarke: I agree with that second point strongly, and I will consider the implications of the quote.

The point I am trying to make is that, whatever the basis on which we come out, there are bound to be adverse effects on the British economy if we create new barriers between ourselves and the biggest free market in the world. No other Government would remotely contemplate moving out of such a completely open and free market and deliberately raising barriers by way of tariffs, customs processes or regulatory diversions between themselves and such a hugely valuable market. It is particularly valuable to us not only because it is a huge market but because it is on our doorstep. We have played a major part in creating this totally open trade.

If we proceed to a deal in which we withdraw, we will inevitably find ourselves, to some degree or other, taking an economic blow and probably making future generations less prosperous than they would otherwise have been. It is important that we all realise that, which is why it is a great pity that the House is not being given the information necessary to make a really informed judgment, as the hon. Member for Glenrothes (Peter Grant) has just said, or being allowed any opportunity to guide the Government and hold them to account for the course on which they are set on these economic and trading implications.

Sir William Cash: In his assessment, has my right hon. and learned Friend taken into account the fact that services within the European Union have never been completed under the single market? Furthermore, our deficit in the past year with the other 27 member states has gone up by another £10 billion, while our surplus in our trading with the rest of the world has grown exponentially by another £6 billion or £7 billion, so I really rather doubt his conclusions.

Mr Clarke: I entirely agree with my hon. Friend’s first point. For as long as I can remember, it has been the policy of Conservative Governments, some of which I have served in—indeed, it is a policy in which I have been involved from time to time—to press for the single market to be extended to cover all services. Until the referendum almost 18 months ago, we were still actively engaged in canvassing for that and trying to push it forward inside the EU. We are also making considerable progress towards a digital single market across Europe, which will be very important. The other member states are likely to go on and complete that quite soon.

1.45 pm

On my hon. Friend’s second point, I think he is referring to the economic doctrine that used to be known as mercantilism, of which President Donald Trump is extremely fond. I regret to say that it is a great fallacy that a free market trading arrangement is valuable only to the party to it that has a surplus in trade for the time being and that it is a handicap to the party that, for the time being, happens to have a deficit. However, I do
not think that this is the occasion on which we should debate this matter at length. He and I are both guilty of debating these things at length.

I do not accept my hon. Friend’s argument. For example, if we are going to solve our problems when we leave Europe by having a free trade deal with the United States, which I find wholly unlikely, one of the things that Donald Trump will eventually notice is that we have a large bilateral trade surplus with his country. That is why the only interest we will get from America is in how it can open up our market, mainly to its food products, with which our farmers will find it very difficult to compete. We will also discover that Donald Trump has decided that all trade agreements involve regulatory convergence. We will either have the same regulations or something that we as part of the EU were trying to negotiate with the Americans—namely, mutual recognition of regulations.

When our Secretary of State for International Trade came back from his preliminary excursion to offer the Americans this great opportunity to throw open their markets to us without conditions as never before, he found that one of the first things he had to do was try to persuade the British public to see the advantages of chlorinated chicken. He could have gone on to talk about hormone-treated beef and genetically modified crops. As it happens, I have no strong objection to those things—I have eaten in America and I have survived—but I am not sure that that would be an easy sell to the British public or to the House of Commons. Indeed, I think it would be a very difficult sell to the House of Commons.

The fact remains that the benefit of free trade agreements is that—as long as we are careful not to go into areas where we can see we cannot compete—they can stimulate increased economic activity on both sides of the deal. As for the fact that our trade over recent years with non-EU countries has grown more than our trade with EU countries has done, that is the way in which the globalised economy has worked since the 1990s. We actually do very badly in an awful lot of the strong emerging countries. The Germans completely outperform us in China, for example, but we have got going there. The fact is therefore that every other country will find that their trade with countries that were previously poor and are now rapidly emerging will grow faster than their trade with their traditional markets. That does not alter the fact that our European market is absolutely dominant.

Mr Clarke: The points I hoped to make in my speech are being put to me by others, which may have the welcome effect of shortening my contribution. I entirely agree with the right hon. Gentleman.

John Redwood (Wokingham) (Con): My right hon. and learned Friend has not given us many numbers so far, and the one he has given us is wrong. We have actually had eight days in Committee and two days on Report, and we had an extensive debate on Second Reading in which many of these larger issues were strongly reviewed. We had very detailed short-term forecasts from the Treasury of what would happen in the year or so immediately after the vote if we voted to leave. We now know they were comprehensively wrong in forecasting a recession, a big rise in unemployment and a big fall in house prices. Why were they so wrong, and what has he learned from that?

Mr Clarke: My defence is that I did not use any of those arguments in the campaigning I took part in during the referendum. The referendum campaign was somewhat taken over by the then Chancellor and the then Prime Minister, both friends of mine and people with whom I politically agree on Europe, and I would not have made the same choice of arguments. I thought at the time that they were spinning the short-term forecasts far too far and, with hindsight following the rather narrow result, they rather discredited the remain campaign. Surprisingly, I am rather in agreement with my right hon. Friend.

My right hon. Friend may not have been here in time to hear me begin by saying that all attempts to produce a precise forecast of any change in economic arrangements are fraught with peril. I would have preferred the referendum to have been fought on arguments about the benefits, in the opinion of those on my side, that membership of the EU has brought to this country in enabling us to develop a powerful political role in the world as one of the leading members of the EU, in helping the bloc to hold its own against America, China, India and the emerging powers and in the considerable economic success that we achieved for most of the 47 years of our membership. There is no doubt that the common market and then particularly the single market have made a considerable contribution to our prosperity.

That enables me to return to the point of my speech, which is the economic consequences and how the House might be enabled to hold the Government to account for the likely economic consequences—properly and cautiously anticipated—when they have a policy on the eventual outcome they are trying to negotiate and then, because it will inevitably change in the real world, when a deal is ultimately negotiated.

I would prefer us to continue in the single market and the customs union. The point has been made, including by me, so I will repeat it in only one sentence, but at no point in the referendum campaign did the leavers say that one of the advantages of leaving is that we will leave the single market and the customs union. Most of them never mentioned it, and the ones who were reported in the national media did not mention it. It was all about Turks coming here to take our jobs and about extra money for the health service. Both sides used equally foolish arguments, or at least the national media only chose to report the foolish arguments. The people I debated with in town halls did not use such nonsense.
Gentleman accept that we are less likely to catch up with Brazil, but the difficulties are that Brazil insists on exporting food products on a grand scale and the internal economy of Brazil does not naturally lend itself to free trade. Mercosur, as a group, is almost incapable of agreeing on any common position.

I will not go on but, much though some in the present Administration would wish otherwise, I do not think India is yet ready for free trade agreements with countries such as Britain. I wish I could feel more confident it were otherwise, but I think the Lok Sabha will daunt anyone who tries to take on the various pressures in India in order to have a free trade agreement. I have been to India myself to try to get it to open up to legal services, with considerable support from a lot of Indian businesses that would like some of our countries to provide international quality services in Delhi so that they do not have to come to London to get their advice, but protectionism in every aspect of Indian society is not to be understated. We are not going to get far. I will not go on about China, as I said I would not go country by country.

This is all an absolute illusion. I would prefer to stay where we are, but apparently we are moving out. We are demanding a bespoke arrangement but, as yet, we have not been clear what that bespoke arrangement is, which is a considerable difficulty. This has been debated already and we have got some concessions, although they are not yet good enough, but when we finally reach a stage where the British Government intend to ratify a proposed deal, it is perfectly obvious to me from all our past constitutional conventions that they should come to Parliament to get its approval for that ratification. There was a key vote in 1972 when we joined the European Union. There was approval in principle of the deal that was proposed, which attracted Jenkinsite support to give the then Government a majority over their imperialist rebels, who were voting against it. But we started legislating in 1972 only when we had the approval of the House of Commons, by quite a comfortable majority, to ratify on the terms that were presented and explained. The same should happen here.

2 pm

Given my strictures about the referendum debate, and some of the others we have had, I think that the more we can do to make sure we have an informed debate on whatever trade, investment and other deal is proposed with the EU, the more likely we are to uphold the duty we all have in this House to apply our judgment of the national interest, to think a little of the future as well as the short-term politics and to decide whether or not this vital consent of Parliament is to be given.

Justine Greening (Putney) (Con): My right hon. and learned Friend has made a very important point. I represent a very young constituency in London. The bottom line, looking ahead, is that, if Brexit does not work for young people in our country, in the end it will not be sustainable and when they take their place here, they will seek to improve or undo what we have done and make it work for them. So we absolutely have a duty in this House to look ahead and ensure that whatever we get is sustainable and works for them.

Mr Clarke: I entirely agree with my right hon. Friend on that. One extraordinary thing about the division of opinion is that I have never known it to be so much on generational lines. There are some zealot young leavers
and there are one or two, like me, old fogy, very sound remainers, but otherwise the public have not usually been divided so fiercely on generational grounds. In my limited experience—I do spend a lot of time in London’s House of Commons—I would have thought places such as Richmond and Putney would underline that very heavily. My experience of young, ambitious, professional business and other people in London has been that for the first time in my life I have had complete strangers from that category walk up to me in the streets just to thank me for taking part in this campaign. [Interruption.] I see that other Members have exactly the same experience. I am sure the silent people who walk by deplore my views, but this just brings home to me how divided the nation is and, curiously, it is on generational grounds. Therefore, unless something happens, the pro-remain sentiment is likely to increase as a proportion of the country as we go on. But if we leave and are then forced by events to start going back again, I cannot think of a more chaotic situation. That is why we need the information to make a proper assessment when eventually the Government, as they will have to and are entitled to, come back to this House to present the proposed deal—not a deal they have already done and signed up to—for approval.

The Government have vast amounts of material on this subject and vast access to resources, and they have no reason for excluding the House of Commons totally. I am talking not about their negotiating position, because of course they will exclude us from that, but about the basis of the objective, independent advice they have received. That is why I thought it was wise for the House of Commons to pass the motion, which the Government allowed it to do, asking them to produce papers, after Ministers had rightly said that there were all these impact assessments and so on. I bow to the Select Committee, to which we rightly transferred responsibility for looking at that and considering the matter, but I agree with the intervention I took from the hon. Member for Glenrothes.

The Government escaped from that position by suddenly taking the most narrow interpretation of the words “impact assessment”. Apparently, civil servants, who are always capable of coming up with helpful advice, said, “Strictly speaking, Minister, in Whitehall, ‘impact assessment’ means this.” That is not quite how we set it out, so that was refused. Then this was all edited, probably with large parts of it rewritten. What we do not have is what we undoubtedly require: an impact assessment, by whatever description, using the advice that comes to the Government from the Treasury, the central Bank, the Office for Budget Responsibility and any consultants they have taken in, of the basis on which this deal is being proposed and what the best advice they can obtain about its impact is. I am astonished that we have got so far into the proceedings and the debate on our future relationships with Europe and we still do not seem to be any nearer to persuading the Government ever to divulge any of this. I do not think we should wait for the 20-year or 30-year rule before we are allowed to see on what basis the Government were proceeding. As I began by saying, I agree with new clause 17 that we should specify that proper, full information is shared by the Government with this House before they come for our approval.

[Mr Kenneth Clarke]  

Anna Soubry (Broxtowe) (Con): As ever, my right hon. and learned Friend is making an exceptionally important speech and doing so eloquently. As he will know, a group from the all-party group on EU relations has just been over to Brussels, where we spoke to a number of people. Many of those conversations will remain between us, as we agreed. Does he agree that it could well be argued that the Government made a mistake in rushing into saying no to the customs union and to the single market without fully understanding the implications, not just for our economy, but in terms of how this has meant that a range of options has now been taken off the table by the UK Government, when the EU has made it very clear that all options remain on the table as far as it is concerned?

Mr Clarke: My right hon. Friend and I have many friends in common. I am delighted that she went over to see Michel Barnier and others, whom I saw in slightly different company shortly before. I agree entirely with what she says, and I would add that the people she was meeting, people like Michel Barnier, are not Anglophobes. They are not just seeking to strike points off the UK. Every person of any common sense on either side of the channel knows that the minimum of disruption to trade between our countries is, for the reasons I was arguing with my hon. Friend the Member for Stone (Sir William Cash) a little time ago, of mutual benefit to those countries. They are looking to negotiate a serious, grown-up agreement that preserves, so far as is possible, the benefits of our present arrangement.

It will be extremely difficult. There is no getting away from the fact that the 27 countries will all have to be in agreement with whatever the eventual deal is and will all submit to their Parliaments a vote to approve that deal, and it is going to be very difficult to get them to agree. They will not surrender the basic tenets of the EU in order to leave us all the benefits of the single market without any of the obligations. Not only will they not agree that the British taxpayer should stop paying a penny towards the costs of market access so that the taxpayers of Germany, the Netherlands and other rich countries pay more to make up for our refusal to pay our share, but they will not let us get out of all the political implications of membership of the EU simply to have solely the trading benefits.

We saw this recently with the members of the European economic area and their perfectly comfortable arrangement. The Norwegians had to go into the EEA because they had negotiated a perfectly sensible arrangement to become full members of the EU—I had many happy discussions with my then opposite number, the Norwegian Finance Minister, who was looking forward to joining the EU—but then held a referendum. They got into the same mess that we have got into, so they put quite a good alternative together, which I still find quite attractive.

The fact is that what we get will be unsatisfactory compared with complete membership of the single market and customs union. Like my right hon. Friend the Member for Broxtowe (Anna Soubry), I do not think that anybody realised at the time quite what was involved in respect of what seemed a speech likely to be valuable politically in getting good write-ups in the right-wing press. We are now trying to get out of that and to slip back a little to get a more sensible arrangement. The House needs to know what expert advice the Government
have on the implications of any deal, and new clause 17 provides a mechanism by which we can legally oblige the Government to produce it.

Several hon. Members rose—

Mr Speaker: Has the right hon. and learned Gentleman concluded his speech?

Mr Clarke: I have, and everybody still seems to be awake!

Mr Speaker: Everybody is awake; we have been listening to the right hon. and learned Gentleman with rapt attention.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I congratulate the right hon. and learned Member for Rushcliffe (Mr Clarke) on warming up the debate so well. In a way, Mr Speaker, I feel sorry for you in the Chair, because it is perfectly ridiculous that the programme order is such that we have to conclude our series of debates at 4.30 pm when so many issues have not been properly aired on Report. I said that during yesterday’s debate on the programme motion, and I hope that Members in the other place will bear that in mind when they consider the Bill.

I tabled amendments on six issues that I did not think had been adequately covered in Committee. Being a dutiful Member, I felt it my responsibility to table amendments to cover those issues, but I must rush through them, because otherwise I will not exactly be flavour of the month with many of my colleagues.

Chris Stephens: Hear, hear!

Mr Leslie: Don’t say “Hear, hear” in that way.

New clause 5 addresses a massive topic. It simply says, almost in the words of the Secretary of State for Exiting the European Union, that after we have left the EU, we should have the exact same benefits for the service industries in our country—including financial, legal and professional services—as we have now. The service sector accounts for some 80% of the British economy. During our consideration of the Bill, we have not yet really debated the implications for the service sector. It is often easier to talk about the trade in goods, because goods are tangible—they are physical, and we can imagine them crossing borders, going through ports and so forth—but in many ways we excel in our service sector. So new clause 5 would simply put into the Bill the framework that Ministers have previously given that they would seek the exact same benefits.

Hilary Benn (Leeds Central) (Lab) rose—

Mr Leslie: I do not have much time to go into new clause 5 and I shall try not to take too many interventions, but how can I resist my right hon. Friend?

Hilary Benn: Does my hon. Friend agree that on the question of services, never mind goods, this is probably going to be the first negotiation in human history in which a Government have gone into the process knowing that they will come out with a worse deal than the one currently enjoyed? The reason for that is the red lines that the Government have set for themselves. Does not that demonstrate what a profound error this has been, especially when we now know that the decisions on those red lines were taken without any assessment at all of their economic impact?

Mr Leslie: Absolutely: I could not have put it better myself. We currently have, in the shape of the single market, one of the finest free trade agreements available to any country anywhere in the world. It is frictionless and tariff-free and, of course, it offers great opportunities for those in the UK service sector to sell their services to 500 million customers. There was nothing about departing from the single market on the referendum ballot paper, so this is a ridiculous red line that the Government should not have put in place. I take this opportunity to gently ask my right hon. and hon. Friends on the Opposition Front Bench please not to acquiesce to the red lines. The fact that the Government have set them does not necessarily mean that they are correct. I want the Labour party to fight for permanent access to and membership of the single market, and I will not stop making that point.

New clause 2 might look a bit lengthy, but it sets out what we should hope to expect to see in the withdrawal agreement that is currently being negotiated by the Prime Minister and the European Commission. I think that a lot of people expected, having passed phase 1, that this was going to be the moment to talk about trade and the sort of deal we were going to get. That is not where we are in the negotiation. We have entered a period of talks about talks—that is simply where we are in this phase 2 arrangement. The article 50 process specifies that, after we have buttoned down a transition arrangement—I shall come to that in a minute—we can perhaps hope to get a framework for our future relationship. That could easily be a single side of A4 with very warm words saying, “Let’s all work together,” and we would then be supposed to depart on our one-way journey without knowing for sure where we were heading.

2.15 pm

I have put into new clause 2 the sort of basic headings that we would expect to see in a pretty basic trade agreement. If the withdrawal agreement is to be acceptable to me, those things need to be spelled out, because I could not recommend an agreement to my constituents unless we had buttoned down some degree of certainty with our EU counterparts so that we knew what we were to be getting.

Mr Grieve: The issue of the withdrawal agreement was supposed to be resolved last December, as part of phase 1 of the negotiations. Does the hon. Gentleman agree that it is abundantly clear that there are massive potential pitfalls, particularly in respect of the relationship with the Irish Republic, in the translation of what appears on the face of it to have been a mutually convenient fudge into what will in fact be a binding treaty obligation?

Mr Leslie: That is absolutely right, and the right hon. and learned Gentleman neatly and helpfully moves me on to my new clause 3, which deals with the question of the Irish hard border. I think that many people read the phase 1 agreement in an optimistic light. In many ways, those words were all things to all people. The can was kicked down the road, but there will have to be a translation into some sort of legal text by the time we
get to the withdrawal agreement. Heaven help us when the two sides to the negotiations have to start talking in specific terms.

The Prime Minister had a slightly different view from the Republic of Ireland of what the phase 1 agreement meant. She reported back to the House that it was simply to be restricted to the issues listed in the Belfast agreement, which does not, of course, include trade in goods, to mention just one small policy area. There are massive questions about the border between Northern Ireland and the Republic of Ireland. People in that area share reciprocal healthcare, as well as environmental factors such as rivers, streams and lakes. They have a shared energy market and shared fisheries, food and plant arrangements. All those are shared because of the very geography of what are two distinct countries, so trying to fudge the issue just will not work, particularly if the UK is a third party.

Lady Hermon (North Down) (Ind): Is not it essential that at some stage in these Brexit negotiations the Government legislate to protect the fundamental principles of the Good Friday agreement—the Belfast agreement? Those principles include freedom from discrimination, equality under the law and parity of esteem. They are fundamental principles—I could go on listing them, but I will not—so is it not essential that the Government protect them?

Mr Leslie: I believe that that is essential. I completely agree with the hon. Lady, which was why I took the exact words from the phase 1 agreement to create the text of new clause 3. If the Government really mean to commit to there being no hard border, they should enshrine that commitment in the Bill. That is what the Government—what is it that they have to prove if they really believe that this was not just some mealy-mouthed commitment to get them through a particular difficulty in the short term.

Ian Murray (Edinburgh South) (Lab): My hon. Friend has spoken about the island of Ireland on many occasions during our scrutiny of the Bill. Could not this complicated issue be easily resolved, and does not the resolution lie in the customs union and the single market?

Mr Leslie: That is indeed the case, but the Prime Minister said, “Oh no, that’s a red line.” The difficulty is that Prime Ministers can get into stubborn positions. Are they going to have to back down? How do they deal with these things? It would be a measure of the Prime Minister’s status and stature were she to say, “On reflection, I have looked at this issue and it cannot be solved.” I know that the Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham (Suella Fernandes), will be encouraging the Prime Minister to do that, because she has that way about her. The Prime Minister should change her mind and say, “Things have changed.”

Stephen Doughty: My hon. Friend is obviously making some absolutely excellent points, but the crucial thing is how all this matters practically for people and businesses. I wonder whether he saw yesterday’s concerning announcement about the opening of a new ferry route between Spain and the Republic of Ireland. The port of Cork expressly said that it was doing that to avoid having to come through all the possible uncertainty that was being created in the United Kingdom.

Mr Leslie: I did indeed see that. Think of all the distorting arrangements that will pop up.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the hon. Gentleman give way?

Mr Leslie: If the hon. Gentleman will allow me, I must make some progress, because I have to talk about new clause 4, which relates to the divorce bill—the payment or the settlement. The Prime Minister said that the amount would be somewhere between £35 billion and £39 billion. When the Under-Secretary of State for Exiting the European Union, the hon. Member for Fareham, was on “Question Time”, she said that that was absolute nonsense and would never happen, but it turns out that £39 billion equates to over £700 for every adult in the UK. That is how much we are talking about. That is £700 a head for all the men and women in her constituency who voted for her and all those who did not vote. Strangely, that did not feature on the side of the red bus, and the notion of £350 million a week for the NHS has disappeared into thin air. We do not want to catch that particular bus ever again.

I am glad that the right hon. Member for Loughborough (Nicky Morgan), who chairs the Treasury Committee, has written to the Comptroller and Auditor General of the National Audit Office to ask him to examine the reasonableness of the sum. The phase 1 agreement said that a methodology had been agreed between the two sides to calculate the sum, but that has not been made available as far as I can see. I hope that the NAO will have that methodology, and that it will go through the agreement with a fine-toothed comb to find the exact figure that our constituents will end up paying.

Amendment 39 seeks to tease out what is happening on the question of transition, for which there are all sorts of metaphors. My hon. Friend the Member for Streatham (Chuka Umunna) talked about there being no safe harbour, but the metaphor I like to give is that, if we have a cliff edge, transition is about having a plank going a few feet out from the cliff edge: it would perhaps give us a bit of extra time, but it would not obviate the precipitousness of the fall that could affect the country—it simply defers when that will happen. The European Union side is absolutely clear that if we are going to have a transition, it will need to be on exactly the same arrangements that we have now, minus having Britain around the table with a say on the rules. That was why I tabled amendment 39. The Government have to get on with securing a transition, and the Chancellor was right to talk about it as a diminishing asset.

The arrangements had better be visible and available for businesses to see by the time we get to Easter and the March European Council meeting, because they need to know what will happen. Otherwise, quite naturally, they are going to have to make contingency plans to protect their business thereafter. I was talking to the American Chamber of Commerce to the European Union, which has come up with the sort of transition deal that it believes that many of its firms that work and invest here, employing many of our constituents, want to see. It thinks that a transition needs to have two
distinct aspects. First, there needs to be a bridging period during which we can settle all the rules, finish all the negotiations, and establish the treaties and procedure. That will definitely take more than 21 months, and I saw that the chief executive of the EEF was completely scathing yesterday about how little could be achieved in the period currently envisaged. Secondly, there needs to be an adaptation period—a phasing in of the new rules. We need to start getting into exactly what the transition will involve, and that was why I tabled amendment 39.

My final point is about new clause 6, on which I will seek the views of the House if I get the opportunity. It relates to what will happen if unforeseen circumstances arise in the process. What will right hon. and hon. Members do if the Government come back with an unacceptable deal? We need to know what our options are. We have asked the Prime Minister on many occasions about the article 50 process. It is a notification process, and she sent the letter in, but when we ask whether the process can be extended, altered or revoked, she says that that is not the Government’s policy. That, of course, is not the question we are asking. We are asking whether the process can be extended. What is the legal advice? The Government have obviously taken legal advice, and I suspect that it says that the UK, if it so chose and the circumstances arose, could unilaterally revoke article 50. We would of course have to do that before exit day, because if we chose to do so after exit day, we would be looking to apply to rejoin the EU under article 49, which would mean our losing many of the benefits in our current deal. We in the House of Commons need to know the options available to us.

Liz Kendall (Leicester West) (Lab): On that point in particular, does my hon. Friend agree that all the new clauses and amendments are about trying to get greater openness and honesty about the pros, cons and trade-offs of the choices we face as a country? It is vital that that information is available not just to this House, but to the public. It is our job as Members of Parliament to put it before the country, because these huge decisions have big consequences, but we have had to drag the Government every step of the way towards putting such information before the country.

Mr Leslie: My hon. Friend is absolutely correct. It is important that our constituents know that nothing is inevitable. One parliamentary decision cannot bind a successor Parliament, because Parliament has the capability to do a number of things. Although the article 50 notice signalling the Government’s intention has been sent in, it is not a binding commitment.

Sir William Cash rose—

Mr Leslie: It might be my intention to give way to the hon. Gentleman, but I might change my mind by the time I get there. I can walk towards a Division Lobby while thinking that it is my intention to vote for a particular issue, but I might change my mind at the last minute. We are all able to change our minds. That is the nature of life, and we can all do the same in a dynamic democracy and Parliament.

Article 50 says that treaties shall cease to apply from “the date of… the withdrawal agreement or, failing that, two years after the notification”, but we will have left only after those events. Article 50 is of course silent on what happens during the two-year interim period before the agreement. We are still full members of the European Union, prior to the withdrawal agreement or the expiry of the two-year period, so it stands to reason that we should continue to act as such. The framers of article 50, who include Lord Kerr, said that a “request readmission after negotiation” clause was not necessary because that was taken as read. That is how the 1969 Vienna convention on the law of treaties operates, and it is accepted by many jurisdictions around the world. Article 68 of the Vienna convention states: “A notification or instrument… may be revoked at any time before it takes effect.” That is the widely understood nature of such treaties.

Sir William Cash: I just thought that I would draw the hon. Gentleman’s attention to the European Union (Notification of Withdrawal) Act 2017. I do not think that he voted for it, but 499 other Members did, and it passed the House of Lords, so I would have thought that that would be quite a difficult problem for him to overcome.

Mr Leslie: No Parliament can bind its successor, and that Act was passed in a different Parliament. It may not be necessary for the UK to consider extending or revoking the article 50 process, but it might prove necessary. MPs and the public have a right to know that such options are available. Nothing is inevitable about this whole process. Choices and options are available to this country, and the Government should publish their legal advice and a summary of that advice. There is ample precedent for doing that. Indeed, when the right hon. and learned Member for Beaconsfield (Mr Grieve) was Attorney General, he published summaries of legal advice. The measure does not even ask for a breach of the confidentiality between client and legal adviser, but this House is entitled to a summary. We need to know and the public need to know, which I is why I want to press new clause 6 to a Division, if I get the opportunity.

Robert Neill (Bromley and Chislehurst) (Con): There will be a change of tone, because the speeches so far have been understandably wide ranging, and mine will be much more narrow and technically focused and also much shorter. I say by way of preface that it is both strange and regrettable that the analysis of my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) was not adopted by the remain campaign, because we might have been saved a great deal of trouble if it had been. Frankly, he speaks passionately and well, and I prefer the economic analysis as to risks and/or benefits of someone who was one of the most distinguished post-war Chancellors to that of those who have not had the opportunity to hold those exalted positions and whose view of the matter sometimes seems a little more based on articles of faith than on practical experience.

2.30 pm

That said, I want to turn specifically to new clause 22, which is in my name. It is relevant to what has gone before. At the end of the day, we all accept that because of the decision that was made, we must find a way forward now that gives the best possible arrangements for our business and our jobs. In particular, I want to
concentrate on the requirement that business has for maximum certainty in relation to the treatment of any deficiencies in the retained EU law, and it is dealt with in clause 7 at some length. It is particularly important for all businesses, but especially for the City of London and for the financial services sector, which, as has been rightly observed, is about 80% of our economy. In the course of the Committee stage, I moved a number of probing amendments, and this is a probing amendment, too, which seeks greater clarity from Government about exactly how we deal with some of the nuts and bolts of those matters.

The clause 7 scheme of course sets out a means for dealing with this deficiency by means of statutory instruments—I understand that. I previously proposed a fall-back scheme as an alternative scheme of interpretation to deal with deficiencies. In doing so, I had the advantage of advice from the City of London Corporation, the Financial Markets Law Committee and the International Regulatory Strategy Group, probably as great a body of expertise on financial regulatory law and process that can be found anywhere in a square mile—if I can put it that way—and not something that one would wish to see lightly ignored.

I am glad to say that in the course of those discussions, Ministers—the Minister on the Bench today, my hon. Friend the Member for Wycombe (Mr Baker), and my hon. and learned Friend the Solicitor General—were most constructive in their response. I accept that the Government are genuinely seeking to tackle this matter and to minimise the need for dealing with it by means of regulation as far as possible. For that simple reason, it looks as if there could be 800 to 1,000 pieces of secondary legislation needed. With the best will in the world, it is a massive task, so what I have done now is to return with a much narrower new clause, which will deal only with deficiencies in the retained EU law, and it is dealt with maximum certainty in relation to the treatment of any deficiencies by means of regulation under clause 7. Therefore, it is even more of a stopgap, but there is still a sentiment among people in the business sector that there are deficiencies by means of regulation under clause 7. In doing so, I had the advantage that helpful intervention. I am conscious, as I said, that the Solicitor General and other Ministers have done their best to ensure that the withdrawal agreement can only be implemented when we also have an agreement to remain in the EU single market and customs union. Let us be honest: everybody knows that, on a free vote of this House, there would be a substantial majority in favour of remaining in the single market and the customs union. My plea this evening will be for all of those who know that that is in the best interests of their constituents to set aside the demands of the party Whips and to go through the Lobby in support of this amendment. We can win this vote this...
evening if all those who know that it deserves to win are able to set aside the demands of the Whips and vote for it. We can take a decision tonight that will keep us away from the cliff edge, not just for two years but for very much longer.

I am very grateful to colleagues from the Liberal Democrats, Plaid Cymru and the Green party who have signed this amendment. Although there have been no signatures from Labour Members, either from the Front Bench or the Back Benches, I appeal to all of them to support this amendment today.

Let me first deal with the question of the constitutional or democratic legitimacy of the amendment. One of the very disturbing aspects of the referendum debate, which has continued all the way through the process since then, has been the degree of hostility and open hatred that has been created against anyone who speaks, or even thinks, against the wisdom of the Government, the newspaper editor, the blogger or whoever. I have a good bad example: just a day or two ago, a group of MPs who had the temerity to go over to Europe to meet Michel Barnier were denounced as traitors—treachery with a smiling face—by one well known blogger. Apart from the fact that such inflammatory and violent language has no place in any supposedly respectful debate, I want to remind the House of some facts of our membership of the single market—facts that I appreciate will be very uncomfortable to some Members, but that are still utterly incontrovertible.

It is a matter of fact that the people of the United Kingdom have never voted in a referendum about membership of the single market or the customs union. This House had the opportunity when the European Union Referendum Bill was on its way through Parliament. We could have decided to ask questions about the customs union and the single market, but the House and the Government chose not to. Having chosen not to ask the question, none of us—including me—has any right to decide that we know what the answer would have been.

It is a matter of fact that it is possible to be in the single market and the customs union without being a member of the European Union. Hon. Members will have different views as to whether it would be wise, appropriate or in our best interests to do so, and they have every right to debate the benefits of membership of the single market and the customs union. But anyone who insists that it cannot happen is not engaging in a democratic debate; they are engaging in fiction. We have had far too much fiction in this debate already—from both sides, it has to be said—as the right hon. and learned Member for Rushcliffe (Mr Clarke) mentioned earlier.

The decision to leave the single market was a unilateral political decision taken by the Prime Minister without any prior consultation with the people or with Parliament. It cannot, under any circumstances, be described as an inevitable consequence of the vote to leave the European Union.

Finally, it is a matter of fact that when the Conservative party fought on a manifesto that said it wanted to stay in the single market, it won an overall majority of seats in this place—the only time in the last 25 years that it has managed such an achievement. It is also a fact that the Conservatives lost that overall majority two years later, when they stood on a manifesto saying that they wanted to take us out of the single market. Nobody can claim that that is clear evidence of a popular democratic mandate to stay in the single market, but it certainly blows to smithereens any nonsense that there is any mandate for us to leave.

I am conscious of the need for brevity from me as well as from others, so I will not go into the full and detailed argument for staying in the single market, as that would take us from now to Brexit day, if not beyond. However, the right hon. and learned Member for Rushcliffe referred to the latest analysis produced by the Scottish Government, entitled “Scotland’s Place in Europe: People, Jobs and Investment”. I certainly accept his caveats that we cannot be sure that the forecasts and projections in it are accurate. They are certainly not intended to be precise or definitive.

Angus Brendan MacNeil: I have found some media chat saying that the Scottish Government’s analysis of staying in the single market was alarmist, giving the figure of a 2.5% loss in growth. That is actually less than the figure put out by the UK Treasury for the loss of growth of just being in the single market, with no deal and the Canadian-style option far worse still.

Peter Grant: I am grateful to my hon. Friend for that intervention, but I should put it on the record that I do not use Her Majesty’s Treasury figures as the touchstone for reliability or honesty; that is just a personal gripe of mine.

“Scotland’s Place in Europe: People, Jobs and Investment” is available in summary form and in all its 58-page glory. As a bonus, the back page contains the full text of the United Kingdom’s impact assessment of leaving the European Union. The one that I have is actually the Chinese version for those who understand Chinese.

Among the likely—perhaps very likely—consequences, the Fraser of Allander Institute has forecast that GDP in Scotland could fall by £8 billion over a 10-year period; that the real value of wages in the pockets of the people of Scotland could fall by 7%, including those who cannot afford to live on the wages they have just now, never mind on 7% less; and that 80,000 jobs in Scotland could be at risk. The updated document published this week indicates that the cost of leaving without a deal would be of the order of £2,300 for every citizen in Scotland. Our economic output could fall by 8.5%. That has to be the recession to end all recessions.

Exports from Scotland to the European Union currently run at £12.3 billion a year. If we add other exports that we can only carry out because we have free trade agreements as part of our EU membership, that figure increases to a fraction under £16 billion. Some 56% of Scotland’s current international exports are either to the European Union or to countries with which we already have a free trade agreement, and that could increase to somewhere close to 90% by the time we actually leave the single market and the customs union. How much of that is absolutely, unconditionally guaranteed still to be available after we leave? Right now, the answer is nil or very close to nil. That is the economic cost that we could well be subjected to if we leave the single market and the customs union.

I have not even mentioned the horrific social cost. We saw another heart-rending story today of a lady from Spain who has given 15 years’ service to the NHS, but
who has given up and gone back to Spain. Somebody actually queried, “Why is that newsworthy?” Well, given the current recruitment crisis in the NHS, if even just one more well-trained professional leaves, I think it is a bit more newsworthy than somebody leaving a jungle because 250,000 people phoned Channel 4 and asked for them to be thrown out.

2.45 pm

It is established that the Government—almost unbelievably and certainly incompetently—have got us this far without undertaking a proper impact assessment to advise themselves of what might happen to ordinary people in these islands when we leave, particularly if we leave without remaining members of the single market and the customs union. The Government tried to hide their own incompetence by refusing to let the public, and initially refusing to let Parliament, see the assessments that they had not done. They said that publishing even the little work that had been done would be disastrous to the negotiations and give too much of an advantage to the negotiating partners or enemies, as I have heard them described by Tory Members. It would hand over information to the EU that needed to be kept top secret and that the EU could never have got for itself.

Among these jealously guarded state secrets, we find in paragraph 6 of the “Electricity and Renewables Sector Report”, the astonishing revelation that “Electricity is a fundamental part of modern society. Residential and industrial users rely on its use to ensure basic and vital needs such as lighting, heating or refrigeration are met on a daily basis.”

I am glad that I saw that in the Government’s impact assessment, because I did not know that before and neither did the EU. In the “Defence Sector Report”, we discover that “The Government is a key supporter of the defence sector”. And in the “Gambling Sectoral Report”, the EU’s very own James Bonds can now discover that gambling legislation in Northern Ireland is devolved, when there is a Northern Ireland Assembly to exercise those powers, the Government tried to hide their own incompetence by refusing to let the public, and initially refusing to let Parliament, see the assessments that they had not done. They said that publishing even the little work that had been done would be disastrous to the negotiations and give too much of an advantage to the negotiating partners or enemies, as I have heard them described by Tory Members. It would hand over information to the EU that needed to be kept top secret and that the EU could never have got for itself.

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Those are the kinds of facts that the Government try to keep from us. They were eventually forced to disclose those facts, but we can only wonder what else the Government know but are refusing to tell us. They do not trust this Parliament or the people of these islands with this information, yet they expect us to trust them not to trust this Parliament or the people of these islands with this information, yet they expect us to trust them. They were eventually forced to disclose those facts, but we can only wonder what else the Government know but are refusing to tell us. They do not trust this Parliament or the people of these islands with this information, yet they expect us to trust them not to trust this Parliament or the people of these islands with this information, yet they expect us to trust them.

Mr John Hayes (South Holland and The Deepings) (Con): Since the hon. Gentleman raises public trust and legitimacy, would he acknowledge that the extension of that argument is that, were we to say to the British people that their express will in a binary choice to leave the European Union were to be frustrated through obfuscation, prevarication, delay and confusion, the trust between this House and the people would be broken in a way that would be very hard to mend, to the cost of not only everyone here, but our whole system, for a very long time indeed?

Peter Grant: For the avoidance of doubt, I will repeat what I have said in this place before; I think we have to accept the view of the people of England and Wales who have expressed a wish to leave the European Union. Unless the people of those nations give a contrary view at some future point, that view has to be respected.

Some 62% of my people voted to stay in the EU. I want to hear just a single word from this Government that indicates they are prepared to change anything in their chaotic Brexit plan to recognise the sovereign will of the people of Scotland and, indeed, the majority of people in Northern Ireland who also voted to remain. Half the member states of this Union voted to remain in the EU, and there has been no recognition whatever of that fact from the UK Government so far. They have even shown their contempt: having promised to table amendments to correct yet another deficiency in the Bill on the impact on the devolved nations, they then changed their minds and are going to leave it to the other place, where nobody is elected or has any democratic mandate to do anything.

The Government’s woeful handling of Brexit from day one demonstrates that they are so incompetent that they do not even trust themselves to know what is a state secret and what is very common knowledge. It would be wrong for this House to hand over to a competent, cohesive Government the draconian powers contained in the Bill. It would be criminally negligent to hand them over to a Government so disorganised that they could not even appoint their own party chairman without announcing the appointment of the wrong person.

While the SNP’s main purpose has been to scrutinise and seek to improve the proposal from the Government, it has to be said—it hurts me greatly to do so—that the performance of Her Majesty’s official Opposition to date has left a great deal to be desired. We are seeing signs of improvement, which I warmly welcome, on membership of the single market and the customs union. The right hon. and learned Member for Holborn and St Pancras (Keir Starmer) has very helpfully tweeted recently reminders of the six red lines that his party had set out last year. The hon. Member for Greenwich and Woolwich (Matthew Pennycook) referred to them earlier.

The second of those red lines is whether the deal delivers the “exact same benefits” as we currently have as members of the single market and customs union. The only way that that red line can be satisfied is if we remain in the single market and the customs union.

I hope that in the intervening period since he sent that tweet, the right hon. and learned Gentleman and his colleagues have managed to persuade the Leader of the Opposition that it is time to get down off the fence and to stop doing the Tories’ work for them and time for every Labour MP in this House to go through the Lobby to vote for this amendment to keep our place in the single market.

Angus Brendan MacNeil: My hon. Friend talks about the principal Opposition party—by number, that is. Is he aware that in the past year, for five months they supported the single market, for five months they were against the single market, for two months they were uncertain, and sadly there were only two months—July and August—where they had a consistent policy without alternating every other month?
Peter Grant: As I said, I have been disappointed in the performance of the official Opposition up until now. I think we are seeing some signs of cohesion, and quite a number of speakers have been very firm in favouring the single market, as indeed we have heard across the House.

I do not want to point out mistakes that have been made in the past or score political points. There is a time and a place for that. The situation that we will face within the next couple of hours is so important and could have such devastating consequences for all our constituents that how about, just for a couple of hours, we forget the mistakes that each other has made and look at the catastrophic mistake that we may be about to make if we allow the Bill to go through without amendment 59 or something similar being passed? This may be the last chance we have to keep ourselves away from the cliff edge. I say to all those in this House, regardless of their party allegiance, who know that the single market and the customs union is where we have to be, please come through the Lobby with us tonight to vote to make sure that that happens.

Sir William Cash: The European Scrutiny Committee, of which I have the honour to be Chairman, has been holding inquiries into the fundamental constitutional implications of the Bill, including clause 5. As is now shown on its website, I have had correspondence with the Prime Minister on its behalf since December. The provisions I refer to would empower the courts, for the first time in our Westminster-based legislative history, to disapply Acts of Parliament. This is no theoretical matter. Indeed, we are advised that such disapplication is likely to apply to a whole range of enactments, including those relating to equality, terrorism, data protection and many other matters.

I raised this massive constitutional issue, as I regard it, in Committee on 14 and 21 November, including by reference to the authoritative statements made by the late Lord Chief Justice Bingham in chapter 12 of his book on the rule of law and the sovereignty of Parliament. Let us bear in mind that he is one of the most authoritative judges in recent generations. He says:

“We live in a society dedicated to the rule of law; in which Parliament has power, subject to limited, self-imposed restraints, to legislate as it wishes; in which Parliament may therefore legislate in a way which infringes the rule of law;”—I repeat, “infringes the rule of law”—

and in which the judges, consistently with their constitutional duty to administer justice according to the laws and usages of the realm, cannot fail”

I repeat, “cannot fail”—

“to give effect to such legislation if it is clearly and unambiguously expressed.”

In that book, he publicly criticised the attitude of Baroness Hale, who is now President of the Supreme Court, and Lord Hope of Craighead for suggesting that the courts have constitutional authority as against an Act of Parliament.

Lord Bingham also specifically approved the analysis of what he described as the “magisterial” authority of Professor Goldsworthy, whom he quoted as follows:

“the principle of parliamentary sovereignty has been recognised as fundamental in this country not because the judges invented it but because it has for centuries been accepted as such by judges and others officially concerned in the operation of our constitutional system. The judges did not by themselves establish the principle and they cannot, by themselves, change it... What is at stake is the location of ultimate decision-making authority... If the judges were to repudiate the doctrine of parliamentary sovereignty, by refusing to allow Parliament to infringe on unwritten rights, they would be claiming that ultimate authority for themselves.”

He went on to state that they—the judges—would then be transferring the rights of Parliament to themselves as judges. He says:

“It would be a transfer of power initiated by the judges, to protect rights chosen by them, rather than one brought about democratically by parliamentary enactment or popular referendum.”

That is the basic principle.

Members of this House and the House of Lords, including former Law Lords and members of the Supreme Court, are themselves deeply concerned about—

Mr David Jones (Clwyd West) (Con): Lord Neuberger, who is the former President of the Supreme Court, has also expressed concern about the perceived illegitimacy of judges overturning Acts of Parliament. Is my hon. Friend concerned that the power in clause 5 to disapply Acts of Parliament might result in a worrying politicisation of the judiciary that I would have thought would be unwelcome not only to hon. Members but to the judges themselves?

Sir William Cash: I am indeed. I am grateful to my right hon. Friend, who also serves on the European Scrutiny Committee. The provisions I refer to would express provisions. Therefore, the question of principle is fundamental and will also, no doubt, be taken up in the House of Lords. Furthermore, former Law Lords and members of the Supreme Court have expressed their concerns.

The European Scrutiny Committee’s unanimous view when we met this morning was that Parliament as a whole needs a solution that confirms the principle of parliamentary sovereignty along the lines of declarations of incompatibility under the Human Rights Act 1998, as I indicated in my correspondence with the Prime Minister, whose letter I received on 9 January. To take this forward, may I ask my hon. Friend the Minister to intervene to give me and the House an assurance that when the Bill is in the House of Lords, the Government will constructively engage with the European Scrutiny Committee, with any other Committees of both Houses and with the advice of the Attorney General and the Lord Chancellor to explore and find a proper solution to the constitutional issues I have raised in the national interest?

Mr Baker: I am grateful to my hon. Friend for the case that he has made. The Government are well apprised of the issue that he has brought to the House. It is absolutely right that we respect and uphold parliamentary sovereignty—

Mr Speaker: Order. Before the hon. Gentleman continues, I had—I will not say reveled in the expectation, but had been taking quiet satisfaction in the expectation, that the hon. Member for Stone (Sir William Cash) had in fact completed his speech.

Sir William Cash: I was completing my speech by inviting the intervention that my hon. Friend is now making.
Mr Speaker: That is a moderately eccentric way in which to proceed, but we will allow a brief intervention—and a very brief response, I hope.

Mr Baker: That is why in the Bill we treat retained direct EU legislation as primary legislation for the purposes of the Human Rights Act, and why we have taken the approach we have to challenges based on the general principles. Bearing in mind what my hon. Friend has said—and, indeed, what my right hon. Friend the Member for Clwyd West (Mr Jones) has said—and the view of the Select Committee, which he has just set out, we will of course listen carefully to him and his Committee, and the other individuals he has mentioned, as the Bill continues its passage.

3 pm

Sir William Cash: I am most grateful to my hon. Friend for his response. May I simply say that these are issues of immense constitutional importance? My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) mentioned that yesterday and we have had debates on it in Committee, and I am most grateful for my hon. Friend’s assurance.

Tom Brake: It is always a pleasure to be in the Chamber to hear the right hon. and learned Member for Rushcliffe (Mr Clarke). When I hear his rational, measured comments on the European Union, I wonder whether his memoirs will include a substantial chapter on how his party has been overtaken by the old guard ideologues on the fourth row and, indeed, the new, modern ideologues sitting on the Treasury Bench.

We heard from the right hon. Member for Wokingham (John Redwood), who is no longer in his place, that we have had adequate debating time for this Bill. As a Member who has made speeches often of only three or four minutes’ duration during the course of these eight plus two days, I would say that, while I believe people should be able to put the content of what they want to say into a concise speech, it is actually rather difficult to do that in three or four minutes on a subject of this nature. I would therefore challenge anyone who says we have had adequate time to debate this issue.

I support several amendments in this group. I support new clause 18, which would lock in the Government’s intentions to respect the environmental principles and to set up an independent environmental regulator, and new clause 21, which would provide continuity on environment powers.

I support new clause 20, which would establish a citizens’ jury. I mentioned that in an earlier debate. A citizens’ jury has already been held on this subject; it had a balance of 52% people who were leavers to 48% who were remainers. It had some really in-depth discussions on issues such as freedom of movement. Interestingly, they came to the conclusion that they were in favour of freedom of movement, albeit arguing—the right hon. and learned Member for Rushcliffe made this point—that the Government should apply the powers they already have to deal with the issue more effectively. Indeed, if the Government had sought to engage effectively with the other EU countries on the issue, I suspect they would have been able to achieve more than has been achieved.

I support new clause 2, which sets out what should be in the withdrawal agreement, and amendment 59. I thank the SNP for co-ordinating the Opposition parties—unfortunately, minus the official Opposition—in getting support for amendment 59. One of the positive things about the Bill, and there are not many of them, is that the Opposition parties and, on occasion, Conservative Members have worked quite constructively together to try to ensure that the Bill is better than it was at the outset.

I want briefly to mention new clause 11. Again, I welcome the cross-party support that the Liberal Democrats have received, with support from Labour Back Benchers, the SNP, Plaid and the Green party. What does new clause 11 seek to do? It seeks to achieve two things. I intervened earlier on the right hon. and learned Member for Rushcliffe when he was talking about the impact assessments. New clause 11 tries to ensure that the Government have to produce an assessment of the impact on the UK economy and each nation, province and region before we have a so-called meaningful vote. I cannot see any circumstances in which this Parliament and its Members can have a meaningful vote on an agreement or on no deal if we do not have an assessment of the impact.

I must say that departmental responses to my parliamentary questions about this have hidden behind the fact that there is something called an “Impact Assessment” to refuse to make available to Parliament an assessment of the impact. I pointed out to Departments that, to be grammatically correct, if I had meant the “Impact Assessment”, I would have used a capital I and a capital A, and I would then have received the impact assessments that have been done on Government Bills. However, I did not do so, and in common parlance I was entitled to expect the Government to provide an assessment of the impact, rather than to hide behind the niceties of the ways in which parliamentary Bills are dealt with.

The first purpose of new clause 11 is to force the Government to publish an assessment of the impact. Like the right hon. and learned Member for Rushcliffe, I have serious concerns about the reasons the Government would not want to make such information available. I cannot think of any other circumstances in which we, as a Government and as a Parliament, would be about to take a decision that will have the greatest impact on the economy, our security and our diplomatic profile and stature in the world without any impact assessment provided by the Government. I and other Members have been to see the so-called sectoral analyses—they were under lock and key for no reason whatsoever—and, frankly, there was nothing of any great substance in them that could not have been obtained from going online and googling the various sectors. We need to have this information.

I hope that the Minister who responds may for once be willing, when they respond, to explain why they do not want to make this information available to Members of Parliament. The Solicitor General has heard my comment. I am not sure whether he is going to respond, but I hope he will make a point—either by responding himself, or by getting the Box to provide him with an answer that can be put on the record—of explaining why the Government do not want to share with Members of Parliament an assessment of the
impact that whatever deal they come up with, or indeed no deal, will have. We need that, and I would love to have it put on the record.

The second part of new clause 11 is about ensuring that, if Parliament does not agree to the deal or does not agree to no deal, either article 50 will be extended or—frankly, this is my preferred option—article 50 will be rescinded. Members who have looked at the new clause will see that, as I have said, it has two halves. First, there is the process of securing an assessment of the impact. If an agreement is reached, an assessment of the impact must be available. Equally, if no agreement is reached, such an assessment must be available.

Secondly, the Government would have to put a motion to the House that would allow Parliament to approve the intention to leave the EU without a deal. I guess the House could do that, although I hope we would not do so. If Parliament said no to that, however, other options would kick in requiring the Government to go back, in the very limited time still available, to try to secure a deal before March 2019; to go back to the European Council and request an extension of article 50; or to rescind the notice under article 50. It would clearly be very helpful to have the legal advice that the Government have received. I and many Members believe that the legal advice would have made it very clear that article 50 can be reneged on and the only reason why the Government do not want to make that information available is that it helps their case to pretend that it cannot be revoked.

I am aware, Mr Speaker, that several Members want to speak and there is very little time left. I hope I have put succinctly the reasons not only why I support several of the amendments—if they were pushed to a vote, I would be very happy to support them—but why I intend, subject to your agreement, to press new clause 11 to a vote.

Several hon. Members rose—

Mr Speaker: Order. On my reckoning, about 12 people want to speak. I advise the House that it is reasonable for the Minister to have at least 20 minutes to reply to the various points that have been made—[Interruption.]

Someone chunter from a sedentary position, “No more.”

The Minister should certainly be allowed 20 minutes, and Members can do the arithmetic for themselves. I am encouraged, as I call possibly the most courteous Member of the House of Commons, Mr Dominic Grieve.

Mr Grieve: Thank you, Mr Speaker. I shall endeavour to practise courtesy by act rather than by anything else, in being brief.

It is a pleasure again to participate in this afternoon’s debate, which is wide-ranging and has moved away from the rather narrow focus of some of the perfectly sensible amendments that have been tabled and that are designed to explore the undoubted deficiencies in the legislation; for example, the Opposition have put forward sensible proposals in new clause 1. Those are matters that we have looked at for a considerable number of days.

I wanted to focus on an issue that has arisen this afternoon and is a particular concern to me. In doing so I do not want to repeat what my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) said. I agree with every word he said, and there is no point in my saying it again. There is a separate angle, however, on which we might pause and reflect. New clause 17 raises the issue of whether we should have continued participation in the single market and customs union.

If we look at the Bill as drafted and at its original intention, particularly now that the pernicious effects of clause 9 have been removed, we can see that it is about the legal order of the United Kingdom after we have left with no deal at all. So an argument can be made that this legislation is perhaps not the most satisfactory place to try to bring in the single market and customs union. However, that raises an entirely legitimate issue. Ultimately, as we trundle on with the legislation it becomes more and more apparent how different it is from the Government’s intention regarding the end product that they want the country to enjoy.

The Prime Minister set out her vision in the Lancaster House and Florence speeches. As I have said before, but it is worth repeating, if she succeeded in achieving everything that she set out, there might well be broad consensus in the House, because we would lose those aspects of EU membership that we do not like and at the same time we would retain all the benefits of EU membership that we—or at least many of us, the vast majority of hon. Members—consider desirable.

The truth is that most of us—again, I suspect—in the House know that that is unlikely to be achieved. We are asking our EU partners to engage in the bending of the rules of the legal order, which is not something that can be readily obtained. We started out on this negotiation with a major fallacy: the EU can somehow be twisted around from matters of self-interest into entirely changing its nature. In fact, it is an international treaty organisation underpinned by law: that is what it is. Having visited Brussels on Monday, it was brought home to me—I already knew it—very clearly that that is indeed the nature of the entity with which we are dealing. Unless we are realistic about that we cannot hope to secure a reasonable outcome to our negotiations.

What troubles me particularly is the timing of all this. The reality is that the EU, for very good reasons, wants order. It is a legal order, and it wishes order to exist, even when countries are leaving it. The point was made to us that ultimately it would negotiate according to our red lines and, if we decide to put red lines down that make it impossible to reach the sort of agreement that the Prime Minister wants, we will not secure that agreement—it is very simple. On top of that—I would like to add this point to the one made by my right hon. and learned Friend the Member for Rushcliffe—all of this is likely to come to a head at a very late stage indeed for rational judgments by the House about what is in the national interest.

3.15 pm

Some of my right hon. and hon. Friends seem positively to relish the prospect of the negotiations collapsing and our leaving the EU with absolutely no deal at all. I believe that that would probably be the single most catastrophic act perpetrated by any Government on this country in modern history, so I do not intend to allow that to happen. I simply make this point to my friends on the Front Bench, who have the difficult task of taking this project forward. On the point that is raised in new clause 17, this may not be the right place to amend the legislation, which is not particularly germane to it but, my goodness, it is a relevant point. At what
point can the House and, indeed, the public have a proper understanding of what the Government have succeeded in negotiating? At the moment, it reminds me very much of the company set up at the time of the South Sea bubble in the early 18th century that said: “A company to be of great and inestimable value to its shareholders. Nobody to know what it is.”

That is what we have been asked, regularly and on a daily basis, to continue signing up to while the negotiations proceed. Furthermore, on the timings, it is likely that when we are finally told a bit more it may be too late to take the sensible decisions that the House ought to take in the national interest and in conformity with what the referendum result was all about.

We cannot abdicate that responsibility. In truth, we have been left completely in the dark. Indeed, the Government themselves are in the dark, because we do not even really know whether we can secure a withdrawal agreement, for the reasons I gave in an intervention regarding our relationship with Ireland. The transitional arrangements look pretty clear, but I fear—the pejorative term might be the vassalage that my right hon. Friend the Foreign Secretary dislikes—something that inexorably takes our country towards continuing membership of every institution of the European Union without our having any influence over policy making.

Sir William Cash: In his discussions with Mr Barnier, did my right hon. and learned Friend gain any impression that the European Commission, and indeed Mr Barnier himself, had taken on board the fact that in relation to the legal order to which my right hon. and learned Friend refers—the European Union and its institutions—article 50 actually represented a radical change by giving people the right to withdraw if they wished? That changed the nature of the European Union from the day on which article 50 was passed as part of the Lisbon treaty.

Mr Grieve: I am not sure I entirely agree. I do not think that Mr Barnier has ever suggested that the United Kingdom cannot withdraw under article 50—we plainly can. Indeed, new clause 6 deals with the question of whether article 50 is revocable. I think that it almost certainly is, so it is a pertinent question for the House to ask, although it is not an easy one for the Government to answer, in fairness, as ultimately it could probably be determined only by the European Court of Justice.

I do not think that the fact that we can revoke article 50, or that article 50 has kicked in, alters the EU legal order. The EU intends to continue with the United Kingdom outside. On the question of our future relations with the European Union, we will be outsiders, and some things that we are asking for, including a special and deep relationship, are currently—and, I fear, for ever—incompatible with the nature of that legal order. We either have to be in or we will get something that is very much less than what we have set out as our request. I therefore say to my hon. Friends, that these amendments are perfectly pertinent, because they raise questions that will be asked over and over again, and with greater urgency, as each week passes in the course of this dramatic year.

I will end by saying this to my hon. Friend the Member for Stone (Sir William Cash). I listened very carefully to what he had to say. He is an individual of complete and clear integrity when it comes to his own views about how the United Kingdom’s constitution should work, which is one of the reasons why he has been so dramatically opposed to our EU membership—a matter on which we differ—but here he was, highlighting that in the process of taking ourselves out of the European Union, we are smashing up our domestic constitution big time—”O Brexit! What crimes are committed in your name?” It is imperative that we in this House manage the process so that we prevent the sort of mischief that he has identified, but I am afraid that, in part, it is inherent in the nature of the venture that we have taken on.

Christine Jardine (Edinburgh West) (LD): Does the right hon. and learned Gentleman agree that this constitutional danger is heightened by the fact that Conservative Members from Scotland are not listening to growing concerns about our lack of membership of the single market and the customs union, and the implications for our economic future, but simply following the Government through the Lobby?

Mr Grieve: I am afraid that I disagree entirely—far from noticing any such thing, I have noticed the very reverse. My Scottish colleagues are very much alive to the constitutional implications of Brexit and have been working assiduously to address them, while not falling into the trap, as I am afraid the hon. Lady and some members of her party have, of constantly characterising what is a national constitutional debate—indeed, a crisis—in binary terms, with Scotland always appearing either as a victim or as having a halo over its head, neither of which, in the scheme of human existence, is justified.

Christine Jardine: I think that the right hon. and learned Gentleman might have misunderstood what I meant, which is that the binary nature of what the Scottish Conservatives are doing is heightening the binary argument in Scotland, and indeed playing into the hands of those who seek nationalism.

Mr Grieve: I am afraid that I disagree. My Scottish colleagues have been behaving with extraordinary good sense, particularly their leader, Ruth Davidson, and my colleagues here at Westminster. Perhaps I have misunderstood some aspect of the hon. Lady’s question. Far from seeing them as supporters of crazy ideas in the context of Brexit, I think that they have consistently shown a moderate common sense in trying to understand the wider United Kingdom position and Scotland’s distinctive position, and trying to take this forward. If I may say so, they are exactly the sorts of allies I want in the course of the work that I will continue doing in this House.

I have spoken quite enough and I thank the House for its indulgence.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I rise to speak to amendment 10, which stands in my name and those of colleagues across the House. I think this follows logically from the wise words that the right hon. and learned Member for Beaconsfield (Mr Grieve) has just delivered to the House. Like him, I support new clause 17, and I also want briefly to mention new clause 1 and amendment 44.
From the start of the Bill’s passage through the House, my concern has been about how it concentrates power in the hands of a small group of Ministers. Be we liberals, communitarians, socialists or conservatives, in this House we are democrats all. It goes against all our British political traditions to concentrate power in the way the Bill still does—even after the amendments have been made—over decisions that could affect our children and grandchildren for generations to come. The referendum decided that we will leave the EU, but it did not decide how, and those decisions should not be so concentrated in the hands of a small group of Ministers, especially in a hung Parliament.

In Committee, we often went one step forward and then two back with regard to the interests of parliamentary democracy. That is why further amendments are needed today. Ministers did agree to the amendments put forward by the Procedure Committee, which will give Parliament a bit more of a say over whether the affirmative or negative procedure is used for secondary legislation, but Parliament will not be able to insist on which procedure is followed or that changes should be made in primary rather than secondary legislation. That is why new clause 1 is so important.

The Bill would still allow a small group of Ministers to take away workers’ rights and equality rights, which have been hard fought for over generations and hard won through this place, and they would be able to do so with hardly any say from Parliament. Therefore, those of us who have been part of the fight for greater equality and for workers’ rights for many years cannot just stand by while those rights are diminished. Nor should any of us, whatever our view, be part of agreeing to the wide scope of ministerial powers still embedded in clauses 7 and 9, allowing Ministers to do simply “as they consider appropriate”. Amendments 44 and 2 are important attempts to limit those powers to what is necessary, and Parliament has a responsibility to do so. I hope that those in the other place, whose job is to scrutinise the Executive and stand up for Parliament, will consider these matters very seriously when the Bill reaches them.

Parliament has agreed that there should be more democratic say over the withdrawal agreement itself. The previous amendment 7, which was agreed to in Committee against the wishes of Ministers, made it clear that we must have a meaningful vote on the withdrawal agreement. It said that that vote should apply not to a motion, but to a statute, and that we should be able to take a decision before the treaty is ratified, not after, and before implementation starts. I know that Ministers have considered rowing back on that, and I strongly warn them not to do so. They should respect the spirit of our debates and the views of this House.

Several Government amendments relating to the date on which we will leave have undermined that meaningful vote. My amendment 10 seeks to deal with the conflict between the previous amendment 7, which was passed, and the amendments tabled by the right hon. Member for West Dorset (Sir Oliver Letwin) and the Government. Those amendments on the date would bind Parliament’s hands and concentrate powers with Ministers when it comes to considering the final withdrawal agreement and as we come to the supposedly meaningful vote.

In Committee, we debated the fact that it was unwise at this stage in the negotiations to include the date in the Bill, because that could make it difficult to handle late problems in the process or to renegotiate any aspects of the agreement if we get a bad deal. It also restricts Parliament’s ability to scrutinise and call for changes, if necessary, once we see what the Government propose as the final deal. Suppose, for example, the transitional arrangements miss out something that is extremely important for our security, or for a sector of our economy. Parliament should at least have the chance to debate that and decide whether it wants to call on the Government to go back and try to negotiate a further change, or propose adjusting the timings—even for a few months—while the issues are sorted out. The Bill, as it stands, prevents us from doing so, and it could mean that Parliament is simply timed out. It would force us back to the very situation that Parliament rejected when it passed the previous amendment 7. In other words, Parliament would basically have to choose between the Executive’s deal and no deal at all. That is not a meaningful vote.

The amendments tabled by the right hon. Member for West Dorset do not help, because they allow the date to be changed, but only by Ministers—not by Parliament, even if Parliament takes a different view from the Executive. In addition, they allow the date to be changed only if an alternative date is included in the withdrawal agreement, so if Ministers agree an alternative date with the EU, they can use secondary legislation to change the date in our legislation, too. That is not on, because it will effectively give the EU Parliament more of a say than this Parliament over whether the date should be changed. That is hardly taking back control.

3.30 pm

If there is no deal at all—I hope that that will not be the case; I think it is inconceivable that no deal will be reached, and I am conscious of the points that hon. Members have made about the difficulties that that situation would create for Northern Ireland—there will be no vote for Parliament. My amendment 10 would address the fact that only Ministers can change the date, as well as the fact that Parliament would have no vote if there were no deal at all.

Catherine West (Hornsey and Wood Green) (Lab): I thank my right hon. Friend for giving way in this tight debate. The negotiation before Christmas came down, in the end, to the Ireland question. Does she accept that allowing enough flexibility, as many of the amendments do, is crucial to the final, icing-on-the-cake deal?

Yvette Cooper: My hon. Friend is right. It is immensely important that we get these decisions right. I have proposed, in amendment 10, that the date should be settled in Parliament in the statute that provides for a meaningful vote on the withdrawal agreement. It is the obvious and logical consequence of agreeing to the previous amendment 7, which requires a vote on a statute. Let us set the date for departure in that statute, rather than in this Bill. I propose that when we get to the withdrawal agreement, we confirm the date, because the terms and timing of departure should go hand in hand. In that way, we do not concentrate all the power in Ministers’ hands.
We need to make sure that when Parliament has a meaningful vote, we have proper transparency and a debate on the decision, and that is why new clause 17 is so important. The Government have ruled out membership of the single market and the customs union. Everyone recognises that the single market issues are complex, linked as they are to questions of immigration and how we deal with future rules. That makes it even more important for Parliament and the public to be able to scrutinise the Government’s decisions on those complex issues. To do so, we need to know the facts and the impact on the economy and our constituencies.

On the customs union, the issues are more straightforward, but the need for transparency is the same. Being in the customs union is immensely important not just for Northern Ireland, but for manufacturers across the country, especially across the north and the midlands. The Prime Minister, we understand, has had special meetings with City financiers about what they need from the Brexit deal, but what about Yorkshire manufacturers in my constituency? Where is their chance to have their say on the customs arrangements that they need? Where is the opportunity for us all to see the impact of not being in the customs union, the impact of decisions about the single market, and the impact on jobs in our constituencies before, not after, we vote on the withdrawal agreement? The ramifications of these decisions are immense.

The amendments are about strengthening the power of Parliament, no matter what kind of Brexit we think is best, and no matter what our politics or party membership. The amendments are about the health and resilience of our democracy, and about us all working together to get these crucial decisions right.

Several hon. Members rose—

Mr Speaker: Order. I think there are still about 10 if not 11 Members seeking to catch my eye. If each Member could speak for three minutes or so, everybody would get in. If that is not possible, so be it, but Members can do the arithmetic for themselves. Perhaps we can start with a very good example from Mr Derek Thomas.

Derek Thomas (St Ives) (Con): Thank you, Mr Speaker; I will keep my comments brief. I rise to oppose new clause 2 for the following reasons. By seeking full, comprehensive and sufficiently detailed agreements on several aspects of the future relationship between Britain and the EU, it ties the hand of Government. I am not sure that that is any way to negotiate future trading agreements. Furthermore, the new clause is impractical and inconsistent with article 50, for which the vast majority of this House voted last March.

The EU (Withdrawal) Bill is intended to ensure that EU legislation is transferred into UK law to deliver for the UK a smooth exit from membership of the EU next year, which I am sure we all hope for. Future trade agreements are a separate matter, and they will determine our future trading relationships throughout the world. I commend to the House the “Britain is GREAT” campaign, which is designed to open up a host of trading opportunities once we have left the EU.

Despite the comprehensive list of priorities—a total of 35—on which those who support the new clause want detailed agreements, the issues that concern my constituency are largely ignored. I am not willing to support the new clause, but I call on the Minister to commit, at an early stage, to a strategy that incorporates the economic and social cohesion principles derived from article 174 of the treaty on the functioning of the European Union. That is important for regions across the UK, including the county of Cornwall, so that we can have confidence that future support will be maintained for areas with high levels of deprivation, rural and island areas, areas affected by industrial transition, and regions that suffer from severe and permanent natural or demographic handicaps.

Brexit offers opportunities to further reduce inequalities between communities and regional disparities in development. Cornwall and Scilly has received considerable EU funding, but not every penny has been spent as intended. The region must be given far greater power over its own destiny and prosperity, and that is what the 2015 Cornwall devolution deal was intended to achieve. Work continues on thrashing out the detail so that Cornwall and Scilly has every tool needed to create a vibrant and successful economy, where wealth is shared across our population.

I do not believe that serious thinkers in Cornwall and Scilly believe that structural funding support of the sort that has been enjoyed, such as EU regional development funds and EU structural funds, continuing indefinitely is in our best interest; nor was it anticipated that Cornwall would be in receipt of the money even if the British people had voted in June 2016 to remain in the EU. Cornwall and Scilly and other areas across the UK need investment to create the infrastructure, jobs and skills that will assist long-standing pockets of deprivation, and an environment that offers opportunities and life chances to everyone, whatever their age or ability.

Anna Soubry: I know my hon. Friend loves his part of our great country, but has he asked businesses throughout Cornwall, if they were given a choice of staying in the single market and the customs union or of leaving one or both, what they would choose? That would be helpful in determining the best sort of Brexit to benefit all his constituents.

Derek Thomas: I think I welcome that intervention. I hear what my right hon. Friend says, and it is true that, despite all the money and business support that Cornwall has received, it voted in favour of leaving the EU. What people in my constituency and across Cornwall want is us to get on with the job—to get the Bill through and then set out clearly how we intend to trade in the future.

We are asking for a level playing field, where that is possible. I welcome the creation of the shared prosperity fund, and although I do not support new clause 2, I seek an assurance from the Government that areas such as Cornwall and Scilly will enjoy special recognition, as we do now because of the challenges we face, which include deprivation and severe and permanent natural or demographic handicaps.

Several hon. Members rose—

Mr Speaker: Order. The pressure for brevity is growing. I call Mr Ian Murray.
Ian Murray: I will be brief, Mr Speaker. I rise to speak to new clause 17, on which I intend to test the will of the House later today. I will not repeat what the right hon. and learned Member for Rushcliffe (Mr Clarke) said, but I very much appreciate his support for the new clause, as I do the comments made by the right hon. and learned Member for Beaconsfield (Mr Grieve).

I tabled the new clause simply to inject some clarity, transparency and honesty in the debate. We already have a strong baseline of what the single market and the customs union provide the UK, and new clause 17 offers a straightforward way of comparing what we have now and what the Government come back with and put on the table before the House votes on the legislation to invoke our leaving the European Union.

I also tabled the clause to prompt another discussion about the single market and the customs union. I intervened on my hon. Friend the Member for Nottingham East (Mr Leslie) to make the point that all these complicated issues—those relating to the island of Ireland are probably the most complicated—can be resolved by continuing to participate in the single market and the customs union.

My key point, on which I hope Ministers will reflect and which Michel Barnier has already stated clearly, is that the red lines that the Government have set themselves are completely and utterly incompatible with the conclusion they wish to reach. Until they are honest about that with the public and this House, we will be unable to move forward. That is part of the reason why the EU keeps demanding from the UK an explanation of the final destination—what the UK actually wants from the process. The Prime Minister’s Florence and Lancaster House speeches set out criteria that are completely and utterly undeliverable, given the red lines set. To take the customs union and the single market off the table so early as a red line was the wrong decision.

We need the Government to put to both Houses a full and independently assessed analysis comparing the impact on the UK economy of two conclusions to this debate: staying in the single market and customs union and coming out on the basis of the deal the Government propose. The Government will resist the new clause, however, not out of principle, but because they know that any negotiated deal they come back with from the EU will not be as good as the deal we have today, and that will be saying to the public that that deal will make the country poorer. For any Government, that is a dereliction of duty. They should put their money where their mouth is, support my new clause 17 and put in black and white the consequences of this country’s refusal, failing and no longer participating in the single market and customs union.

Martin Whitfield (East Lothian) (Lab): Will my hon. Friend give way?

Mr Speaker: Has the hon. Gentleman completed his speech?

Ian Murray: I have.

Mr Speaker: We are grateful to him. I call Chuka Umunna.

Chuka Umunna: I will be as brief as I can. I rise to speak in support of new clause 6 on the legal standing of article 50 because I believed it was the duty of the House to seek to deliver Brexit in the form in which it was sold to the British people, but it was conditional on it being in that form. I said that if it turned out to be materially different at the end of the process, the people would be entitled to keep an open mind on what should then happen. By that I meant they were entitled to halt the process and revoke the article 50 notification given by the Prime Minister to the President of the European Council, if that was what the people decided to do.

The core purpose of new clause 6 is to clear up this matter. On the issue of revocability—halting the process or extending article 50—Ministers have sought deliberately to pull the wool over the eyes not just of this House but of the people. They have given the misleading impression that legally we are not free to keep an open mind and that we cannot revoke article 50 if we so wish. For example, on 9 October 2017, when my right hon. Friend the Member for Exeter (Mr Bradshaw) asked the Prime Minister if it was possible to halt the article 50 process, she implied that it was not and said:

“The position was made clear in a case that went through the Supreme Court in relation to article 50.”—[Official Report, 9 October 2017, Vol. 629, c. 51.]

But it was not. The case she was referring to was brought by Gina Miller to stop this Government seeking to take back control for Ministers instead of for Parliament, as was intended.

The Prime Minister was pressed again on the same day by my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) and my hon. Friend the Member for Nottingham East (Mr Leslie) and each time gave a similar response. This gave a completely false impression of the reality, because what she said was not factually correct. The Supreme Court did not and has not opined on this issue in the Miller or any other case before it, though the author of article 50, the noble Lord Kerr, has made it clear that it may be revoked.

Mr Grieve: It is abundantly clear that the matter has not been determined by the Supreme Court. The Government chose in the Miller case—for understandable reasons—to put forward the proposition that it could not be revoked, and both sides asked the Court to proceed on that assumption. It did not opine on the matter.

Chuka Umunna: The right hon. and learned Gentleman is quite right.

The Brexit Minister in the House of Lords, Lord Callanan, repeated this false claim when asked by a Conservative colleague whether he could confirm that the judgement in the Miller case had in ruled in “precise terms” on the revocability of article 50. He replied, “I can confirm that” and went on to say that the European Commission had said that once invoked, article 50 was irrevocable. He was forced 10 days later to return to the other place to come clean on the reality of the legal position, which was of course that the Supreme Court had said no such thing. Indeed, the European Commission is clear that article 50 can legally be revoked, and politically no member state has indicated that it would object to this.

Last week, the Government received legal advice from three Queen’s counsels, Jessica Simor, Marie...
Demetriou and Tim Ward, all of whom are on the Attorney General’s A panel of counsel and represent the United Kingdom. They have provided the Government with a published legal opinion confirming that article 50 is revocable. On the political side, the President and vice-president of the European Commission and the President of the European Council have made it clear that if this country wishes to change its mind at the end of the process, it will be free to do so. The British people deserve to know that; our constituents deserve to know it. The Government should publish that legal opinion, which is why new clause 6 must be passed.

3.45 pm

Mary Creagh (Wakefield) (Lab): New clause 12, which stands in my name and those of a number of other Members, seeks to guarantee our management of environmental protection after exit day. The environment has been in the news quite a lot recently. The members of the Cabinet all had reusable coffee cups following their meeting yesterday, although I think we shall need a little bit more from the Environment Agency than bamboo cups if we are to protect our environment after Brexit. I was delighted to receive your letter today, Mr Speaker, saying that the House of Commons Commission and the Administration Committee will be looking into how Parliament can reduce its plastic usage. Last Thursday the Government published their 25 Year Environment Plan. They were very clear about what they wanted to achieve, but there was absolute silence on how that was to be done.

A third of the acquis communautaire which applies in the UK is related to the Department for Environment, Food and Rural Affairs—it has brought us huge environmental improvements—and 80% of our environmental protections originated in the EU. A third of those protections cannot simply be cut and pasted. The aim of new clause 12 is to prevent us from ending up with “zombie legislation”, no longer updated or enforced, and vulnerable to being quietly dropped at the stroke of a Minister’s pen. The Environmental Audit Committee, which I chair, called for a new environmental protection Act more than a year ago, and the new clause does the same today: it calls for legislation setting up a strong environmental protection agency to monitor and enforce standards, replacing the European Commission.

The Secretary of State for Environment, Food and Rural Affairs told my Committee in November that such a body would be needed. We await his proposals, but this must be done quickly.

Mr Jim Cunningham (Coventry South) (Lab): What my hon. Friend has said is important for another reason. Environmental protection means development—and 80% of our environmental protections originated in the EU. A third of those protections cannot simply be cut and pasted. The aim of new clause 12 is to prevent us from ending up with “zombie legislation”, no longer updated or enforced, and vulnerable to being quietly dropped at the stroke of a Minister’s pen. The Environmental Audit Committee, which I chair, called for a new environmental protection Act more than a year ago, and the new clause does the same today: it calls for legislation setting up a strong environmental protection agency to monitor and enforce standards, replacing the European Commission.

The Secretary of State for Environment, Food and Rural Affairs told my Committee in November that such a body would be needed. We await his proposals, but this must be done quickly.

Mary Creagh: Absolutely. I was thrilled to learn that the electric black cab is being made in Coventry. It is great that Carbodies has a future.

It is important to drive that great innovation, that green growth, across the country. Let us take the example of waste. Twenty years ago we sent almost half our household waste to landfill; now we recycle almost half of it because of the EU’s waste framework directive. We

will have no recycling targets after 2020 unless we adopt the EU’s target of 60% by 2030. We need that new environmental protection Act to set our waste targets: that will drive the innovation that we need in reprocessing.

We need reprocessing capacity urgently. As a result of the Chinese ban on the import of contaminated UK waste, 3 million tonnes of paper and 280,000 tonnes of plastic will no longer go to China, and we will have to do something with it on this island. A hard Brexit means that we could end paying tariffs on our waste exports, so exporting our waste to faraway countries will no longer be an option. The Environmental Services Association told my Committee that the industry had invested £5 billion in new infrastructure in the past five years, and could do so again, given the right policy environment. At present, however, there is the risk of a vacuum.

We hear the same story when it comes to cleaning up our beaches. The bathing water directive ended the discharge of untreated sewage into the sea and drove investment in the replacement of lead pipes. The European Investment Bank is the largest debt investor in the UK water industry, holding 13% of gross outstanding debt. There is a risk that, if we cannot gain access to EIB capital, there could be higher borrowing costs for water companies and higher water bills for consumers.

As for air quality, the EU has set out the targets that we should meet in the ambient air quality directive. We are currently missing those targets. I have been through the 58 impact assessments, and air quality does not feature in any of them, although it is one of the most pressing market failures that we face. There is no air quality industry, which is why it is neglected. We have had our final written warning from the Commission. The danger is that when we leave the EU we will not set ourselves stringent standards. There is no agency to set those standards, no agency to monitor them, and no agency to enforce them. The Prime Minister launched the environmental plan last week. She says she wants to phase out unnecessary plastics by 2042. I can tell her now that I am not waiting until I am 75 to clean up our environment. This House needs a vote on a strong environmental protection Act, and a strong environmental protection agency to make sure we pass on a decent environment to our children and grandchildren.

Caroline Lucas (Brighton, Pavilion) (Green): Time is short so I shall make just two brief comments.

First, I support amendment 59 and thank the SNP on taking the initiative on pulling that together. The hon. Member for Glenrothes (Peter Grant) made a compelling speech on the importance of remaining inside the single market and customs union, and I join him in appealing to Labour Front Benchers even at this eleventh hour to support it. As he and many other Members have said today, the Government have no mandate for the kind of extreme Brexit they are pursuing. The irony in the Labour Front-Bench position is that the NHS crisis or the inequality crisis or the housing crisis are all far harder to tackle if the UK is outside the single market and customs union.

My second point is to commend the hon. Member for Wakefield (Mary Creagh) on her speech on her new clause 12. I agree entirely with what she said. She says the environmental plan lacks a “how”. That is true, but, crucially, it also lacks a “when,” and a key question at
the heart of my new clause 18 is about timing. The Government are in theory at least committed to bring forward this new domestic environmental regulator, which is supposed to set out the way in which environmental legislation will be enforced once Brexit happens, if it happens. I am concerned that there is nothing to guarantee that that new body will be in place by Brexit day.

We have had positive written statements. For example, the Secretary of State for Environment, Food and Rural Affairs explained in a written statement last week that the Government’s 25-year environmental plan will be underpinned by what he says is “a comprehensive set of environmental principles” to “ensure strong governance”. He also talks about consulting on setting up “a world-leading environmental watchdog, an independent, statutory body, to hold Government to account for upholding environmental standards.”—[Official Report, 11 January 2018; Vol. 634, c. 12WS.]

That is all very well, but what is not addressed is the question of timing, which is why my new clause 18 is so important.

We need to make sure that there is no so-called governance gap, and there is still a very real risk that, after Brexit day but before this new body comes into place, we will have a governance gap where environmental legislation that might well have been brought across from the EU to the UK still will not be enforceable. We will still not have that replacement for the Commission and the ECJ. We will end up with what has been called zombie legislation.

This new clause 18 is vital; we must not be left with that legal gap. We need legal certainty. That is what this provision will provide, and I urge the Government to think again about supporting it.

Stephen Doughty: I shall speak to new clause 20 in my name and those of other Members, and I also want to express my support for new clauses 6, 12, 11, 1 and the other Opposition amendments and many of the other excellent proposals put forward today. I wish to make it clear, too, that although we debated amendment 5 yesterday, I do not seek to press it to a separate Division today. However, I hope that, given the debates we have had about devolution, Members in the other place look very carefully at the issues in question and whether the Government come forward with amendments to address the concerns about clause 11 and other parts of the Bill.

I am proud to have tabled new clause 20 along with other hon. Members because I am a Labour and Co-operative MP, and part of the co-operative ideal is that democracy, decision making and process are not one-off events, and nor do they only involve one group of people. As a Co-operative MP, I believe in the involvement of Members, of management, of consumers and of others who have a stake in the running of a business, enterprise or organisation, and I believe we should be looking at this Brexit process in a much more co-operative way. Indeed, that would address many of the concerns about the way it is going forward.

We are at present heading forward with a monolithic approach by the Government—a reckless hard Brexit approach that does not take into account the many other ways. The point has been clearly made that the public can change their mind and look at different options. There are many options that we could take in this process, but we are being handed one particular route forward and there is an attempt to shut down the debate on any other options that might be out there.

Thankfully, other organisations have rejected this and have been using the excellent procedure of the citizens jury to try to understand what the public think about the detail—not just the question of leave or remain—and about crucial questions such as whether we should remain in the single market or the customs union. My new clause 20 seeks to institute a citizens jury on the Brexit negotiations. It would involve a selection of citizens from across the country who are informed about the facts that we so often do not have before us. It would be able to deliberate on and discuss them in a free and fair way, and it would incorporate people who voted leave and those who voted remain, as well as people with all the shades of opinion in between.

Liz Kendall: I have been a long-standing champion of citizens juries. In fact, I wrote the first book on the citizens juries in 1992. They give people real information, choices and trade-offs, and it has been proven that people can take difficult decisions if they have that open and honest information. I warmly support my hon. Friend’s new clause.

Stephen Doughty: I absolutely agree with my hon. Friend. I was not aware of her historical involvement in this matter. That is absolutely fantastic. I know that my hon. Friend the Members for Stretford and Urmston (Kate Green), for Walthamstow (Stella Creasy) and for Cambridge (Daniel Zeichner) and many others have been involved in this process as well.

Before I conclude, I want to draw attention to a recent example. The citizens assembly on Brexit was organised recently by a number of universities and civil society organisations, including the constitution unit at University College London, the centre for the study of democracy at the University of Westminster, the University of Southampton, Involve and the Electoral Reform Society. That citizens jury came up with some very interesting results. It concluded that our priorities for trade policy should be minimising harm to the economy, protecting the NHS and public services, maintaining living standards, taking account of the impacts on all parts of the UK, protecting workers’ rights and avoiding a hard border with Ireland.

Those are all sensible suggestions, and that is not surprising because they come from the British people. They do not represent the one monolithic view of the way forward that the Government are presenting. The public are presenting a sensible approach to Brexit, and that is what we need more than ever at this time. We do not need to hear wild claims about what the public think. It is a shame that we sometimes do not get these debates in this House, but I am thankful that Members on both sides have been brave enough to stand up in this debate and put forward their views. We need to listen to the public on this as well.

Several hon. Members rose—

Mr Speaker: Order. A lot of people still want to speak, and there is very little time for them to do so. A three-minute time limit should be quite sufficient.
Karin Smyth (Bristol South) (Lab): I rise to speak as the vice-chair of the British-Irish Parliamentary Assembly and the all-party parliamentary group on Ireland and the Irish in Britain. Despite the border being one of the principal issues in the phase 1 agreement, there has been very little debate or understanding in this House about the context of the border issue with Ireland, and that is a huge problem. Phase 1 is hugely welcome. Our Prime Minister has signed up to it on behalf of the United Kingdom, and there is to be no ambiguity or rowing back from it.

On day five of these debates, the hon. Member for North Down (Lady Hermon) said that she remembered exactly where she was when the Good Friday-Belfast agreement was announced. That is true for many of us. I am one of the millions of British children of Irish immigrants who grew up in the 1970s and 1980s. It was difficult. The violence and murder on the streets of Northern Ireland and Britain hung over our communities and fuelled anti-Irish sentiment here. That changed in the 1990s.

The Good Friday agreement is an exemplar across the world of dealing with long-standing conflict. The UK and Ireland are its guarantors, and our joint membership of the EU, our shared regulations and our customs union are the foundation on which it is based. The Good Friday-Belfast agreement was not just about Northern Ireland and it was not just about politics. It was about the relationship between all the people on these islands. We have more in common: until 100 years ago, we were one country. My grandparents were born in Mayo and Cavan under the auspices of this Parliament, just like me when I was born in London. Our legal and political systems are akin, which is why the Republic of Ireland is our greatest ally in the EU. For years, hundreds of weekly meetings have taken place between our officials and our politicians as part of the EU. These will cease, and the Good Friday agreement now needs to come into its own and deepen the north-south and east-west strands. The debate about the border is not about wandering cows and cameras. The absence of a border is about recognising our commonality and our mutual interest.

On the British-Irish Parliamentary Assembly, we are concerned that there is no longer the necessary knowledge and experience in this Chamber of the British-Irish relationship, and we have been considering how to support hon. Members to develop that understanding. Most importantly, we have been considering how to undertake greater cross-party and jurisdictional support hon. Members to develop that understanding and experience in this Chamber of the British-Irish relationship, and we have been considering how to support hon. Members to develop that understanding and to undertake greater cross-party and jurisdictional work. I hope that the House of Lords will have more debates on this issue than we have done.

In my early days as a Member, Mr Speaker, we had the privilege of hearing the noble Lord Bew speak in your rooms about Charles Stewart Parnell and the great arguments that raged in this place throughout the 19th century. We could perhaps arrange for more speakers from all communities, and we could encourage the Select Committees and the all-party parliamentary groups to share understanding across these islands and to develop those deep relationships. Most importantly, we need to build on what we have and not go back. Voices on both sides of the House are crucial to that.

4 pm

Geraint Davies: This Bill is essentially about cutting and pasting the laws, protections and rights of the EU into British law, and the fundamental problems are that clause 9 gives sweeping powers to Ministers to strike out those laws, protections and rights and, quite simply, that we do not have the institutions to enforce those rights. In essence, new clauses 10 and 14 would ensure institutions are in place to enforce those individual, consumer, environmental and workers’ rights and protections.

The European Food Safety Authority, which responded to the horsemeat scandal, or similar agencies should be in place to prevent genetically modified, hormone-impregnated or antibiotic-impregnated meat, and so on, from coming from America. The European Chemicals Agency is charged with protecting us through REACH—the regulation, evaluation, authorisation and restriction of chemicals regulation—which prevents, for example, asbestos from being sold here when they can be sold in America. The European Environment Agency underpins our air quality and is taking the British Government to court. It has delivered blue flag beaches instead of low-tar beaches, and it is involved in ensuring biodiversity, etc. Euratom regulates nuclear power and research across Europe, including Britain. The European Medicines Agency ensures Britain can develop and sell drugs across Europe.

It is critical that institutions are in place to continue those processes, yet the White Paper said, for example, that protected habitats will continue without enforcement agencies after Brexit. In other words, we do not know that will be a guarantee that institutions will be in place to enforce the rights and protections we currently enjoy, which is why new clauses 10 and 14 are important.

We also know that Britain does not have the ready capacity to enforce rights and protections in the way those big institutions do. Enforcement would basically mean fining ourselves for not fulfilling air quality standards, which is meaningless.

New clause 14 essentially says that those rights and protections should also be instilled in new trade agreements, which the Government are hurrying ahead in agreeing in secret. Such rights and protections should therefore be frontloaded, so that people can be secure in the knowledge that Ministers will not sign off agreements that are perhaps in breach of domestic law and that will then be imposed by arbitration courts, whether through investor-state dispute settlements or through the investment court system.

Mr Speaker: Order. My gratitude to the hon. Gentleman is almost infinite, but I think he is concluding his peroration.

Geraint Davies: I am. I urge people to support new clause 14.

Tommy Sheppard (Edinburgh East) (SNP): Given the shortage of time, I will confine my remarks to amendment 59.

I find it almost unbelievable that, 18 months after the referendum and six months after the Government introduced this Bill, they still have not provided or commissioned any proper economic analysis of what Brexit will mean and of the various options we have. In that information vacuum, it has fallen to others to try to fill the gap. A recent report from the Mayor of London concluded that 500,000 jobs are at risk as £50 billion will be taken out of the economy.
The Fraser of Allander Institute in Scotland, which is no friend of my party or of the Scottish Government, has concluded that Brexit puts 80,000 jobs in Scotland under threat. Just this week, a new analysis from the Scottish Government concluded that each person in Scotland could lose £2,600 if we leave the single market.

If the Government disagree with those analyses, I have to wonder why they do not publish their own. I understand that the Government are, of course, divided at the highest level—God knows they need to find agreement among themselves before they can get agreement with other countries—but that cannot be the whole explanation.

I believe the reason we have not had this analysis from the Government is that they know anything they publish will not support and provide evidence for the path they have chosen. Given that degree of denial and political myopia, it falls to this Parliament to try to save this Government from themselves. We can do that by supporting amendment 59, because the truth is that there are no good options here, only less bad ones. Clearly, the least bad option we can do is remain in the customs union and single market to protect our economy.

The time has come to call a halt on what is happening, with other countries—but that cannot be the whole explanation.

As the right hon. Member for Carshalton and Wallington (Tom Brake) mentioned, this amendment has the backing of four parties. It is almost a united Opposition amendment, but there is an absentee friend—the Labour party. I say to Labour colleagues, even at this eleventh hour, not to chastise them but to welcome them in this campaign. “Don’t just participate. Come and lead the campaign against this Government. If you do not, you compromise the future.” In a few years’ time, when the consequences are clear, prices are going up and jobs are disappearing, the Leader of the Opposition will try to accuse the Government and they will look back and say, “You didn’t stop it at the time.” So I ask Labour colleagues to come with us and back amendment 59, and let us try to save this Government from themselves.

Several hon. Members rose—

Mr Speaker: Order. The Minister must be called no later than 10 past 4. Colleagues can work things out for themselves. I am not sure they will all get in.

Matt Western (Warwick and Leamington) (Lab): I wish to speak to new clause 17. We have learned several things in recent weeks. First, that the red lines set by the Prime Minister will handicap us in our negotiations; secondly, that those same red lines have removed important options from the table; and, thirdly, that the Government have not felt it necessary to do comprehensive qualitative and quantitative assessments on the implications of leaving. That is extraordinary. No large business, certainly no multinational business, would leave a market and abandon its investment in that market without fully evaluating the commercial and reputational consequences, but for this Government that lack of process is somehow acceptable. What new clause 17 offers, correctly, is a framework to properly evaluate the deal and arrangements proposed by the Government, so ensuring both transparency and a full public understanding, by area, of the consequences of leaving. That is why I support new clause 17.

Mr Speaker: Well done.

Ruth Cadbury (Brentford and Isleworth) (Lab): I would rather be speaking on whether or not we should be leaving the EU. The more I hear, the more I fear the UK is heading over a cliff and on to rocks far below. Like everyone here, however, I am speaking on the specifics of how the UK withdraws from the EU, if withdrawal is to go ahead. I support new clauses 12 and 21, and others that seek to preserve our environmental protections and legislation. I particularly support new clause 12, which stands in the name of my hon. Friend the Member for Wakefield (Mary Creagh) and would require the Government to report on the “loss of environmental protection” as a result of leaving the EU and to introduce a new environmental protection Bill.

The Government have kept trying to reassure Parliament and the British people that Brexit will mean that EU law will be seamlessly merged in UK law and that we do not need to worry. Not only do I not believe that to be true, but I am concerned about the Government’s lack of urgency on taking sufficient legislative action before March 2019. We are still awaiting the long-promised policy statement on environmental principles which will underpin future environmental policy making. There will then be wide consultation, but even that will not be on the actual policies; it will just “explore the scope and content of a new statement on environmental principles.” That suggests there is a lot of law up for grabs and no sense of urgency.

On air quality, which matters greatly to my constituents, the Government are dragging their feet. The London Mayor, Hounslow Council and many other councils are using their limited powers to improve air quality, but there is only so much they can do. The Mayor has made it very clear that the UK will not bring pollution levels into line with existing EU air quality laws without serious and urgent action by the Government. But instead of this, the Government are using taxpayers’ money to defend themselves against yet another legal challenge by ClientEarth over illegal levels of air pollution in the UK and they have launched an environment plan that is weak to say the least. Given this lack of proven commitment to bringing the UK into compliance with even one aspect of existing EU environment standards, I have little faith that Brexit will mean anything other than an undermining of many protections and improvements that the EU has brought us to date. That is why I urge this House to support many of these amendments, particularly new clauses 12 and 21, and any others that protect our environmental rights and protections, which I, my constituents and many of us hold so dear.

Mr Speaker: To speak very briefly, for 20 seconds, I call Chris Stephens.

Chris Stephens: I hope the Government will consider workplace protections in the Bill, because many of us do not trust the Government in that regard.

Mr Speaker: Very well done. I am immensely grateful to the hon. Gentleman, who was even briefer than I expected. The Minister has just under 20 minutes to reply.
Mr Baker: This has been a full and vibrant debate, with many excellent contributions and memorable moments, to which I shall try to refer at the end, if there proves to be time.

Two Members made particular requests. The hon. Member for Brighton, Pavilion (Caroline Lucas), who is not in her place, asked about the timing and when we would take forward our policy. I will undertake to discuss that with my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs later this week.

My hon. Friend the Member for St Ives (Derek Thomas) mentioned the shared prosperity fund. I assure him that we discussed it when I visited Cornwall and that the Government are well aware of the need in Cornwall and other areas. We will drive forward the design and implementation of that fund.

It might help the House to know that I intend to speak first to the Government amendments and, in a couple of cases, the related Opposition amendments. I will then ensure that I have dealt with the Belfast agreement, as it is so important, before working through some of the other amendments, if time allows.

Government amendment 33 builds on the exit-day amendments tabled by my right hon. Friend the Member for West Dorset (Sir Oliver Letwin), to whom we are grateful. This further amendment to schedule 7 makes the power to set exit day subject to the affirmative procedure, thereby fulfilling a commitment that I gave at the Dispatch Box during day eight in Committee. As the Prime Minister and the Secretary of State have made clear, we have always been committed to the proper parliamentary scrutiny of our exit from the EU. In line with our promise that Parliament will be given time to debate and scrutinise the legislation that implements the final agreement that we reach with the EU, it is appropriate that Parliament scrutinises any potential change to exit day. I hope the whole House will support the amendment.

Labour’s amendment 1 would allow the Government to amend the definition of “exit day” if it were not in accordance with any transitional arrangements agreed under article 50. I understand the intention behind the amendment, but I remind the House that, after the improvements to which I have referred, the Bill now provides for changes to the exit day, as set out in article 50, to ensure that the domestic situation reflects the international position. Furthermore, Government amendment 33 will ensure that Parliament has appropriate scrutiny of any change to the date of exit by making it subject to the affirmative procedure.

Amendment 10, which was tabled by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), would require exit day to be specified in a separate Bill on the terms of withdrawal. It replicates an amendment that was debated in Committee in November, since when the Bill has benefited from the amendments I mentioned and, in particular, the changes suggested by my right hon. Friend the Member for West Dorset. Exit day will be set out in law as 11 pm on 29 March 2019, but we will have the technical ability to amend it if the UK, the EU and, indeed—to address the right hon. Lady’s points—the European Council, decide unanimously to change the date. The right hon. Lady referred particularly to the European Parliament, but I have the text of article 50 with me and it is clear that any change would require the “European Council, in agreement with the Member State concerned” to unanimously decide to extend the period, so I do not accept her argument about the European Parliament having more say than this Parliament.

We have always been committed to the proper parliamentary scrutiny of our exit from the EU, which is why, in line with our promise that Parliament will be given time to debate and agree the legislation that implements the final agreement that we strike with the EU, it is appropriate for Parliament to scrutinise any changes to exit day through the affirmative procedure. In the unlikely event that the power to change exit day is used, it will simply be a technical change to ensure that our domestic legislation reflects the reality of international law. It is certainly not necessary, and would be disproportionate, to make such a change via primary legislation.

The House agreed in Committee to Government amendments regarding explanatory statements and to the Procedure Committee’s amendments to establish a sifting committee. We have tabled two technical amendments, Government amendments 35 and 36, to ensure that these amendments best function alongside each other. Government amendments 35 and 36 will ensure that the requirement for a Minister of the Crown to make an explanatory statement applies before a draft instrument is laid before the House for the purposes of sifting, as well as in other cases. They will also ensure that, where an explanatory statement has been made before the House of Commons for the purposes of sifting, there is no need to make a further statement after sifting when an equivalent instrument is laid again before both Houses of Parliament after being made or as a draft affirmative instrument. That will ensure that the committee has all the necessary information at its disposal and will avoid confusing double statements when nothing has changed.

4.15 pm

Sir Oliver Letwin (West Dorset) (Con): After the sifting committee has received an explanatory statement and before it makes a sift, will the committee also have access to Ministers to question them if it cannot understand what the affirmative or negative instrument is about?

Mr Baker: I very much hope that the committee will be able to understand things through our meeting the requirements for explanatory memorandums that we have set out in the Bill, but I would of course expect Ministers to be helpful to the committee. We need to get statutory instruments through smoothly, and we would want to support the committee in reaching its decisions.

I will now jump ahead in my remarks to deal with new clause 3 and the Belfast agreement. New clause 3, which was tabled by the hon. Member for Nottingham East (Mr Leslie), is important, and I reiterate that the Government remain steadfast in their commitments to the Belfast agreement and its associated obligations under international law.

Lady Hermon: Will the Minister give way?
Mr Baker: Will the hon. Lady allow me to make my points? I think I am going to be able to satisfy her, but I will gladly give way after I have reached the particular point in which I think she will be interested.

The agreement between the UK and the EU, as set out in the joint report, must be negotiated and taken forward through the article 50 negotiations, not in this Bill. The EU set out before Christmas that negotiators now need to work on translating the commitments in the joint report into the withdrawal agreement or the framework for the future relationship. That is the task we will be engaged in over the coming months, so it would be wrong to cut across the negotiations by separately seeking to codify commitments into this Bill.

We have already committed to protecting the Belfast agreement in full through the withdrawal negotiations. The joint report sets out the Government’s and the EU’s commitment to respect the provisions in the Belfast agreement and the principle of consent. More broadly, we have said that we will introduce the withdrawal agreement and implementation Bill to implement what we agree with the EU as a whole. The joint report is also clear on the Government’s commitment to protecting north-south co-operation and to our guarantee of a voiding agreement. When I spoke to my new clause on the Belfast agreement. When I spoke to my new clause on the withdrawal Bill will come forward and be considered, and probably approved, by this House before any withdrawal agreement is ratified, that we will not be presented with a Bill to implement an agreement that is already binding on the United Kingdom, but that actually the Government will not ratify any agreements until the House of Commons has first given its support and approval?

Mr Baker: The situation is set out in detail in the written ministerial statement that we laid. Both Houses will have meaningful votes on whether to accept the agreement. It is my expectation that we would not ratify before that primary legislation has gone through.

New clause 1 was tabled by the Labour Front-Bench team. It seeks to place limitations on the use of existing and future powers to amend and modify retained EU law. It is absolutely right and necessary for existing domestic powers granted by Parliament in other Acts and any future delegated powers created after exit day to be able to operate effectively and without inappropriate fetter within UK domestic law after our departure from the EU. This includes parts of our existing domestic law which will become retained EU law after exit day, as well as retained direct EU legislation which will be converted into our domestic statute book.

The Bill’s current approach to existing and future delegated powers aims to ensure the successful operation of retained EU law within our domestic statute book beyond the time limits for the Bill’s more limited specific powers. Adopting the new clause, on the other hand, would undermine the position of certainty and have several detrimental effects that would risk creating significant confusion in the UK statute book. First, limiting the modification of retained EU law by existing and future delegated powers only to when this is necessary “to maintain or enhance rights and protections” could have uncertain consequences. A test of necessity would impose a high burden that may prevent powers from being used in the most appropriate and relevant way if the regulations they create are not deemed truly necessary for the protection of rights. That could mean that existing and future delegated powers would be unable to amend or modify irrelevant or unsuitable parts of the statute book, leading to ossification of parts of retained EU law within UK domestic law and creating confusion and uncertainty.

Secondly, a restriction of that nature inevitably will increase the possibility of legal challenge against any use of these delegated powers. That would create needless uncertainty for businesses and individuals and risk holes emerging within the domestic statute book. Finally, the measure would also impose significant consultation requirements on the exercise of the delegated powers, the use of which is running against the clock. I understand and support the intention to ensure that all relevant stakeholders, as well as the general public, are aware of the situation and can engage as new legislation is developed. However, the blanket approach suggested under the...
new clause would be excessively and needlessly onerous. It would risk delays to the implementation of important changes.

In using both existing delegated powers and those created in the future, the Government will, of course, remain bound by the rules and procedures laid out in the parent Act, as well as the accepted statutory instrument processes. I will take this moment to say that I am proud of what we have done to clause 7 to make sure that we have contained the list of deficiencies while making sure that it is amendable through the affirmative procedure.

Turning to new clause 22, I think that I satisfied my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) earlier in the debate, but he is not in the Chamber so, if the House will allow me, I will move on to new clauses 14 and 15—

Mr Grieve: May I take the Minister back to clause 7 and thank him very much for the approach that he took in the negotiations?

Mr Baker: I am extremely grateful to my right hon. and learned Friend, and pay tribute to him. Although I have occasionally disagreed with him, he has, of course, made a historic contribution to the passage of the Bill. I am very grateful for the way in which he has helped us to improve the legislation.

Labour’s amendment 2 would restrict the scope of the clause 7 power. Labour appears to accept the principle that the power is essential if the UK is to exit the EU with certainty, continuity, control and a working statute book, but restricting the power in the way proposed in amendment 2 would risk compromising our ability to ensure that that statute book continues to function, thereby leaving gaps in our law, and creating uncertainty and confusion for businesses and individuals.

As we have explained previously, making the list of deficiencies in clause 7(2) exhaustive and immutable would risk omitting important deficiencies, preventing us from fully correcting the statute book. To require primary legislation in such circumstances would undermine the purpose of the Bill and the usual justifications for secondary legislation: technical detail, readability, incompleteness and, crucially, the management of time. We cannot risk undermining laws on which businesses and individuals—often unknowingly—rely every day.

As my right hon. Friend the Chancellor of the Duchy of Lancaster set out yesterday, the word “appropriate” was chosen carefully to ensure that the Government have the discretion called for by this unique situation. The constraints that a test of necessity would impose would prevent the Government and the devolved Administrations from making the best corrections to ensure that the statute book continues to function properly. A provision of necessity would risk limiting the Government and the devolved Administrations to only the most minimal changes, regardless of whether that would leave the law deficient, create absurd outcomes, or change the outcomes that the legislation was intended to deliver. I cannot believe that any Member would want to risk leaving the statute book in such a state. I am very conscious that we are now in a position whereby either these instruments will be brought forward under the affirmative procedure or, if they are brought forward under the negative procedure, the sifting committee will have the opportunity to push us towards that affirmative procedure.

Amendment 2 and new clause 15 seek to prevent regression in the protection of rights and equalities as we leave the EU, and new clause 14 seeks to do similarly by maintaining equivalence with the EU. The UK already has strong protections for equalities and human rights as part of our domestic provisions, independent of our membership of the EU. Some of those predate or go beyond EU requirements. The Government are committed to protecting our equalities legislation as we leave the EU. As we set out in the paper that we published on equalities legislation, limited technical amendments will be needed to ensure that all relevant legislation continues to operate as intended by Parliament after exit.

Chris Stephens: Will the Minister confirm that the Government intend to keep in place the equal treatment directive, which has helped women to gain equal pay claims?

Mr Baker: My first point is that that will be incorporated into our legislation. The purpose of the Bill is to ensure that we carry EU legislation into UK law. Secondly, we can only correct deficiencies that arise as a result of our withdrawal, and the hon. Gentleman will be familiar by now with the provisions of clause 7 and associated schedule 2.

To increase transparency, the Government amendments accepted by the House on 13 December will require a Minister to make a statement relating to equalities legislation and duties before laying every SI made under the principal powers in the Bill, as sought by the hon. Member for Enfield, Southgate (Bambos Charalambous). It is not for this Bill to require similar statements in other EU exit legislation. Indeed, this Bill would not be able to affect most of this legislation, including the Sanctions and Anti-Money Laundering Bill and the Nuclear Safeguards Bill, which will have been introduced to the House before this Bill’s Royal Assent. However, as my hon. Friend the Member for Esher and Walton (Dominic Raab) promised in Committee, we will make equalities-related statements alongside other EU exit-related legislation, which I hope will satisfy the House.

Transparency will ensure that the House and the sifting committee established by the amendments tabled by my hon. Friend the Member for Broxbourne (Mr Walker) have all the information necessary to make informed and reasonable judgments in the scrutiny of the SIs that we will be making under the Bill. I hope that Labour Front Benchers will be persuaded not to press their amendments.

I turn briefly to new clause 11, which was tabled by the right hon. Member for Carshalton and Wallington (Tom Brake). His contribution and the presence of the hon. Member for Streatham (Chuka Umunna) in the Chamber reminded me of a rather fetching photograph of the hon. Member for Streatham posing with a remain campaign poster pointing out that the leave campaign had said that we would leave the single market. If any Member wishes to see that, I might tweet it later.

It would be remiss of me if I did not thank all those involved with the passage of the Bill: all right hon. and hon. Members who took time to participate; all the Clerks in the Public Bill Office who have provided
invaluable support to Members of the House; and the world-class officials in DExEU and across Government who have ensured the Bill’s smooth passage.

4.30 pm

Debate interrupted (Programme Order, 16 January).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the clause be read a Second time.

The House divided: Ayes 305, Noes 318.

Division No. 96

AYES

Abbott, Rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amessbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Brady, Mr Alan
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalamous, Bambos
Cherry, Joanna
Clarke, rh Mr Kenneth
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowen, Ronnie
Coyle, Neil

Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haghi, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Hayes, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Heburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollick, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hug, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kilien, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon

Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
Mclnnes, Liz
McKinnell, Catherine
McMahon, Jim
Mcmorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Morgan, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O’Hara, Brendan
O’Mara, Jared
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Piddock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodd, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Question accordingly negatived.

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

New Clause 6

ALTERATION TO THE NOTIFICATION UNDER ARTICLE 50(2) OF THE TREATY ON THE EUROPEAN UNION

‘Her Majesty’s Government shall publish a summary of the legal advice they have received concerning the notification made under Article 50 of the Treaty on the European Union in respect of the United Kingdom’s intention to withdraw from the EU.’—(Mr Leslie.)

This new clause would require Ministers to place in the public domain a summary of the legal advice they have received concerning the notification made under Article 50 of the Treaty on the European Union.

Brought up.
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Kilren, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarty, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
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Murray, Ian
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Norris, Alex
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O’Mar, Jared
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Onwurah, Chi
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Robinson, Mr Geoffrey
Rooda, Matt
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Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
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Smith, Owen
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Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, rh Paul
Swinson, Jo
Tami, Mark
Thewlis, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thomson, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin

Tellers for the Ayes:
Stephen Doughty and Heidi Alexander

NOES

Afolami, Bim
Afrinye, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Carfildge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehaman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Cliffton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damien
Costa, Alberto
Courts, Robert
Cox, r Mr Geoffrey

Whitford, Dr Philippa
Williams, Haywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
Stephen Doughty and Heidi Alexander

NOES

Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dockerty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Downen, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
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<td>Zahawi, Nadhim</td>
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**Tellers for the Noes:**

- Amanda Milling and Nickel Adams

**Question accordingly negatived.**

**Mr Speaker:** I call Tom Brake to move new clause 11 formally.

**Tom Brake:** And enthusiastically.

**New Clause 11**

**MEANINGFUL VOTE ON DEAL OR NO DEAL**

“(1) The Prime Minister must publish and lay before both Houses of Parliament an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of any unratified agreement by the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.

(2) Any agreement between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU may not be ratified unless—

(a) subsection (1) has been complied with,

(b) the House of Lords has considered a motion relating to the unratified agreement,

(c) the House of Commons has approved the unratified agreement by resolution,

(d) the statute mentioned in section 9 (approving the final terms of withdrawal of the United Kingdom from the European Union) has been passed, and

(e) any other legislative provision to enable ratification has been passed or made.

(3) If no agreement has been reached by 31 December 2018 between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union setting out the arrangements for the United Kingdom’s withdrawal from the EU, the Prime Minister must publish and lay before both Houses of Parliament an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of any unratified agreement by the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.”
within one month an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of leaving the EU under Article 50(3) of the Treaty on European Union without an agreement.

(4) If no agreement has been reached by 31 January 2019 between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union setting out the arrangements for the United Kingdom’s withdrawal from the EU,

(a) a Minister of the Crown must propose a motion in the House of Lords relating to the lack of an agreement, and

(b) a Minister of the Crown must propose a motion in the House of Commons approving the intention of the United Kingdom to leave the EU under Article 50(3) of the Treaty on European Union without a withdrawal agreement.

(5) Unless the House of Commons approves by resolution after 31 January 2019 the intention of the United Kingdom to leave the EU under Article 50(3) of the Treaty on European Union without a withdrawal agreement, the Prime Minister must either —

(a) reach an agreement before exit day between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU, or

(b) request the European Council for an extension of negotiation under Article 50(3) of the Treaty on European Union, or

(c) rescind the notice of intention under Article 50(2) of the Treaty on European Union to leave the EU given in accordance with the European Union (Notice of Withdrawal) Act 2017 and request the European Council to accept that rescission.”—[Tom Brake.)

This New Clause would ensure that the Government assesses the impact of either an agreement or no deal on the UK economy and regions before a meaningful vote, and that if Parliament does not agree to the agreement or no deal, then the Government must request a revocation or extension of Article 50.

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 301, Noes 320.

Division No. 98] [5.02 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniacci, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Brady, rh Mr Ben
Brake, rh Tom
Brennan, Kevin

Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Champion, Sarah
Champion, Douglas
Chapman, Jenny
Charalambous, Bambos
Chessy, Joanna
Clarke, rh Mr Kenneth
Clwyd, rh Ann
Coaker, Vernon

Coffee, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tammanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Fitzpatrick, Jim
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Fris, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma

Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollern, Kate
Hosie, Stewart
Howarth, rh Mr George
Hug, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Mahotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
European Union (Withdrawal) Bill

Tellers for the Ayes:
Sir Edward Davey and Mr Alistair Carmichael

Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Beretton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehan
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Nick
Donnelly, Mr Jonathan
Dockerty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Dudbridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evenett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George

Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garner, Mark
Gauke, rh Mr David
Ghani, Ms Nusraat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hoey, Kate
Hollingbery, George
Hollinrake, Kevin
Hollonbone, Mr Philip
Holloway, Adam
Howe, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margaret
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jennick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
ENVIRONMENTAL PROTECTION AFTER EU EXIT

‘(1) Before any exit day, the Secretary of State must publish a report detailing all EU environmental protections, powers and functions.

(2) The report pursuant to subsection (1) shall specify—
(a) all environmental legal protections which derive from EU law;
(b) the powers and functions relating to environmental protection or improvement exercised by EU institutions;
(c) the empowering provisions in EU law relating to those functions; and
(d) any loss of environmental protection, or the monitoring and enforcement of environmental protections, which may arise as a result of the UK’s exit from the EU.

(3) Before any exit day the Secretary of State must publish proposals for primary legislation (the “Draft Environmental Protection Bill”).

(4) The Draft Environmental Protection Bill must include provisions which would—
(a) ensure that the level of environmental protection provided by EU law on the day this Act receives Royal Assent is maintained or enhanced;
(b) make provision to remedy any loss of environmental protection, or the monitoring and enforcement of environmental protections, established in the report pursuant to subsection (1);
(c) create a statutory corporation (to be called “the Environmental Protection Agency”) with operational independence from Ministers of the Crown to monitor environmental targets previously set by EU law relating to environmental protection and other such environmental targets that may be set by Ministers of the Crown and international treaties to which the United Kingdom is party;
(d) require the statutory corporation in (4)(c) to report to Parliament every year on progress in meeting those targets and to make recommendations for remedial action where appropriate;
(e) allow the statutory corporation in (4)(c) to publish additional reports identifying action or omissions on the part of Ministers of the Crown that is likely to result in targets not being met; and
(f) extend to the whole of the United Kingdom.

(5) The Secretary of State must publish annual reports to Parliament on how environmental protections and the monitoring and enforcement of environmental protections have been affected by the United Kingdom’s exit from the EU.

(6) Before publishing a report pursuant to subsection (5) the Secretary of State must hold a public consultation on the effect of leaving the EU on environmental protection.

(7) The Secretary of State must publish and lay before each House of Parliament the first report pursuant to subsection (5) no later than 29 March 2020 and each subsequent report must be published no later than the period of one year after the publication of the previous report.”—[Mary Creagh.]”

This new clause would require the Secretary of State to produce a report on the loss of environmental protection as a result of the UK’s exit from the EU and to prepare an Environmental Protection Bill to make up for any loss of environmental protection.
protections, and the monitoring and enforcement of environmental protections. It would also require the Secretary of State to produce annual reports which make an assessment of the impact of the UK’s withdrawal from the EU on UK environmental protection.

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 301, Noes 318.

Division No. 99] [5.18 pm

AYES

Abbott, rh Ms Diane Cunningham, Alex Harris, Carolyn
Abrahams, Debbie Cunningham, Mr Jim Hayes, Helen
Ali, Rushanara Dakin, Nic Hayman, Sue
Allin-Khan, Dr Rosena Davey, r Sir Edward Healey, r John
Amesbury, Mike David, Wayne Hendrick, Sir Mark
Antoniacci, Tonia Davies, Geraint Hendry, Drew
Ashworth, Jonathan Day, Martyn Hepburn, Mr Stephen
Austin, Ian De Cordova, Marsha Hill, Mike
Bailey, Mr Adrian De Piero, Gloria Hillier, Megan
Bardell, Hannah Debbonaire, Thangam Hobhouse, Wera
Barron, rh Sir Kevin Dent Coad, Emma Hodge, rh Dame Margaret
Beckett, rh Margaret Dhesi, Mr Tamanjeet Singh Hodgson, Mrs Sharon
Benn, rh Hilary Docherty-Hughes, Martin Hollern, Kate
Betts, Mr Clive Dodds, Anneliese Hopkins, Kelvin
Black, Mhairi Dowd, Peter Hosie, Stewart
Blackford, rh Ian Drew, Dr David Howarth, rh r Sir George
Blackman, Kirsty Dromey, Jack Hughes, Dr Rupa
Blackman-Woods, Dr Roberta Duffield, Rosie Hussain, Imran
Blomfield, Paul Eagle, Ms Angela Jardine, Christine
Brabin, Tracy Eagle, Maria Jarvis, Dan
Bradshaw, rh Mr Ben Edwards, Jonathan Johnson, Diana
Brake, rh Tom Elford, Clive Jones, Darren
Brennan, Kevin Elliott, Julie Jones, Gerald
Brock, Deidre Elliman, Mrs Louise Jones, Helen
Brown, Alan Elmore, Chris Jones, Mr Kevan
Brown, Lyn Esterson, Bill Jones, Sarah
Brown, rh Mr Nicholas Evans, Chris Jones, Susan
Bryant, Chris Farrelly, Paul Kane, Mike
Buck, Ms Karen Farron, Tim Keeley, Barbara
Burden, Richard Fellows, Marian Kendall, Liz
Burgon, Richard Fitzpatrick, Jim Khan, Afzal
Butler, Dawn Fletcher, Colleen Killen, Ged
Byrne, rh Liam Flynn, Paul Kinnock, Stephen
Cable, rh Sir Vince Foguvaure, Yvonne Kyle, Peter
Cadbury, Ruth Foxcroft, Vicky Laird, Lesley
Cameron, Dr Lisa Frith, James Lake, Ben
Campbell, rh Mr Alan Furniss, Gill Lamb, rh Norman
Campbell, Mr Ronnie Gaffney, Hugh Lammy, rh Mr David
Carden, Dan Gapes, Mike Lavery, Ian
Carmichael, rh Mr Alistair Gardiner, Barry Law, Chris
Champion, Sarah George, Ruth Lee, Ms Karen
Chapman, Douglas Gethins, Stephen Leslie, Mr Chris
Chapman, Jenny Gibson, Patricia Lewell-Buck, Mrs Emma
Charalambous, Bambos Gill, Preet Kaur Lewis, Clive
Cheery, Joanna Glindon, Mary Lewis, Mr Ivan
Cheryl, rh Ann Goddard, Mr Roger Linden, David
Coaker, Vernon Goodman, Helen Lloyed, Tony
Coffey, Ann Grady, Patrick Long Bailey, Rebecca
Cooper, Julie Grant, Peter Lucas, Caroline
Cooper, Rosie Gray, Neil Lucas, Ian C.
Cooper, rh Yvette Green, Kate Lynch, Holly
Corbyn, rh Jeremy Gardiner, Barry MacNeil, Angus Brendan
Corbyn, rh Jeremy George, Ruth Madders, Justin
Crawley, Angela Gethins, Stephen Mahmood, Mr Khalid
Creagh, Mary Gibson, Patricia Mahmood, Shabana
Creasy, Stella Gill, Preet Kaur Malhotra, Seema
Cruddas, Adam Goodman, Helen Mann, John
Cryer, John Grady, Patrick Marsden, Gordon
Cummins, Judith Grant, Peter Martin, Sandy
Darwin, Danielle Rouse, Angela
Davey, rh Sir Edward Hepburn, Mr Stephen Matheson, Christian
Hendrick, Sir Mark Herbert, Lucy
Hendry, Drew Hillier, Megan
Hepburn, Mr Stephen Hobhouse, Wera
Hendry, Drew Hill, Mike
Hepburn, Mr Stephen Hobhouse, Wera
Hillier, Megan Hodge, rh Dame Margaret
Hollern, Kate Hodgson, Mrs Sharon
Hopkins, Kelvin Holmes, Stewart
Howarth, rh r Sir George Hourston, Helen
Hug, Dr Rupa Howarth, rh r Sir George
Hussain, Imran Howarth, r Mr George
Jardine, Christine Howarth, r Mr George
Jarvis, Dan Howarth, r Mr George
Johnson, Diana Howarth, r Mr George
Jones, Darren Howarth, r Mr George
Jones, Gerald Howarth, r Mr George
Jones, Helen Howarth, r Mr George
Jones, Mr Kevan Howarth, r Mr George
Jones, Sarah Howarth, r Mr George
Jones, Susan Elan Howarth, r Mr George
Kane, Mike Howarth, r Mr George
Keeley, Barbara Hyslop, Mr Mark
Kendall, Liz Hunter, Miss Sarah
Khan, Afzal Hunter, Miss Sarah
Killen, Ged Hunter, Miss Sarah
Kinlock, Stephen Hunter, Miss Sarah
Kyle, Peter Hunter, Miss Sarah
Laid, Lesley Hunter, Miss Sarah
Laird, Lesley Hunter, Miss Sarah
Lake, Ben Hunter, Miss Sarah
Lamb, rh Norman Hunter, Miss Sarah
Lammy, rh Mr David Hunter, Miss Sarah
Lavery, Ian Hunter, Miss Sarah
Law, Chris Hunter, Miss Sarah
Lee, Ms Karen Hunter, Miss Sarah
Leslie, Mr Chris Hunter, Miss Sarah
Lewell-Buck, Mrs Emma Hunter, Miss Sarah
Lewis, Clive Hunter, Miss Sarah
Lewis, Mr Ivan Hunter, Miss Sarah
Linden, David Hunter, Miss Sarah
Lloyd, Tony Hunter, Miss Sarah
Long Bailey, Rebecca Hunter, Miss Sarah
Lynch, Holly Hunter, Miss Sarah
MacNeil, Angus Brendan Hunter, Miss Sarah
Madders, Justin Hunter, Miss Sarah
Mahmood, Mr Khalid Hunter, Mr Seamus
Mahmood, Shabana Hunter, Mr Seamus
Malhotra, Seema Hunter, Mr Seamus
Mann, John Hunter, Mr Seamus
Marsden, Gordon Hunter, Mr Seamus
Martin, Sandy Hunter, Mr Seamus
Marshall, Mr Seamus Hunter, Mr Seamus
Maskell, Rachael Hunter, Mr Seamus
Matheson, Christian Hunter, Miss Sarah
Mc Nally, John Hunter, Miss Sarah
McMorrin, Anna Hunter, Miss Sarah
McCabe, Steve Hunter, Miss Sarah
McCarthy, Kerry Hunter, Miss Sarah
McDonagh, Siobhain Hunter, Miss Sarah
McDonald, Andy Hunter, Miss Sarah
McDonald, Steward Malcolm Hunter, Miss Sarah
McDonald, Stuart C. Hunter, Miss Sarah
McDonnell, rh John Hunter, Miss Sarah
McFadden, rh Mr Pat Hunter, Miss Sarah
McGinn, Conor Hunter, Miss Sarah
McGovern, Alison Hunter, Miss Sarah
McInnes, Liz Hunter, Miss Sarah
McKinnell, Catherine Hunter, Miss Sarah
McMahon, Anna Hunter, Miss Sarah
Mears, Ian Hunter, Miss Sarah
Miliband, rh Edward Hunter, Miss Sarah
Monaghan, Carol Hunter, Miss Sarah
Moon, Mrs Madeleine Hunter, Miss Sarah
Moran, Layla Hunter, Miss Sarah
Morden, Jessica Hunter, Miss Sarah
Morris, Grahame Hunter, Miss Sarah
Murray, Ian Hunter, Miss Sarah
Nandy, Lisa Hunter, Miss Sarah
Newlands, Gavin Hunter, Miss Sarah
Norris, Alex Hunter, Miss Sarah
O’Hara, Brendan Hunter, Miss Sarah
O’Mara, Jared Hunter, Miss Sarah
Onasanya, Fiona Hunter, Miss Sarah
Oon, Melanie Hunter, Miss Sarah
Onwurah, Chi Hunter, Miss Sarah
Osamor, Kate Hunter, Miss Sarah
Owen, Albert Hunter, Miss Sarah
Peacock, Stephanie Hunter, Miss Sarah
Pearce, Teresa Hunter, Miss Sarah
Pennycook, Matthew Hunter, Miss Sarah
Perkins, Toby Hunter, Miss Sarah
Phillips, Jess Hunter, Miss Sarah
Phillipson, Bridget Hunter, Miss Sarah
Piddock, Laura Hunter, Miss Sarah
Platt, Jo Hunter, Miss Sarah
Pollard, Luke Hunter, Miss Sarah
Pound, Stephen Hunter, Miss Sarah
Powell, Lucy Hunter, Miss Sarah
Qureshi, Yasmin Hunter, Miss Sarah
Rashid, Faisal Hunter, Miss Sarah
Rayner, Angela Hunter, Miss Sarah
Reed, Mr Steve Hunter, Miss Sarah
Rees, Christina Hunter, Miss Sarah
Reeves, Eli Hunter, Miss Sarah
Reeves, Rachel Hunter, Miss Sarah
Reynolds, Jonathan Hunter, Miss Sarah
Rimmer, Ms Marie Hunter, Miss Sarah
Robinson, Mr Geoffrey Hunter, Miss Sarah
Rodda, Matt Hunter, Miss Sarah
Rowley, Danielle Hunter, Miss Sarah
Ruan, Chris Hunter, Miss Sarah
Russell-Moyle, Lloyd Hunter, Miss Sarah
Ryan, rh Joan Hunter, Miss Sarah
Saville Roberts, Liz Hunter, Miss Sarah
Shah, Naz Hunter, Miss Sarah
Sharma, Mr Virendra Hunter, Miss Sarah
Sheerman, Mr Barry Hunter, Miss Sarah
Sheppard, Tommy Hunter, Miss Sarah
Sherriff, Paula Hunter, Miss Sarah
Shuker, Mr Gavin Hunter, Miss Sarah
Sidique, Tulip Hunter, Miss Sarah
Skinner, Mr Dennis Hunter, Miss Sarah
Slaughter, Andy Hunter, Miss Sarah
Smith, Ruth Hunter, Miss Sarah
Smith, Angela Hunter, Miss Sarah
Smith, Cat Hunter, Miss Sarah
Smith, Eleanor Hunter, Miss Sarah
Smith, Jeff Hunter, Miss Sarah
Smith, Laura Hunter, Miss Sarah
Smith, Nick Hunter, Miss Sarah
Smith, Owen Hunter, Miss Sarah
Smith, Peter Hunter, Miss Sarah
Snel, Gareth Hunter, Miss Sarah
Sobel, Alex Hunter, Miss Sarah
Spellar, rh John Hunter, Miss Sarah
European Union (Withdrawal) Bill  17 JANUARY 2018  European Union (Withdrawal) Bill

**NOES**

Adams, Nigel  Clarke, Mr Simon  Pysh, Mr Marcus  Knight, Julian
Afroimi, Bil  Cleverly, James  Gale, Sir Roger  Kwasi, Kwasi
Afryie, Adam  Coffey, Dr Thérèse  Garnier, Mark  Lamont, John
Aldous, Peter  Collins, Damian  Gauke, rh Mr David  Lancaster, Mark
Allan, Lucy  Costa, Alberto  Ghani, Ms Nusrat  Latham, Mrs Pauline
Allen, Heidi  Courts, Robert  Gibb, rh Nick  Leadsom, rh Andrea
Andrew, Stuart  Cox, rh Mr Geoffrey  Gillian, Dame Cheryl  Lee, Dr Philip
Argar, Edward  Crock, rh Stephen  Girvan, Paul  Lefroy, Jeremy
Atkins, Victoria  Davies, Chris  Glen, John  Leigh, Sir Edward
Bacon, Sir Richard  Davies, rh Dr Rhodri  Goldsmith, Zac  Letwin, rh Sir Oliver
Badenoch, Mrs Kemi  Davies, T. C.  Goodwill, Mr Robert  Lever, Andrew
Baker, Mr Steve  Davies, Mims  Gove, rh Michael  Lewis, rh Brandon
Baldwin, Harriett  Davies, Philip  Graham, Luke  Lewis, rh Dr Julian
Barclay, Stephen  Davis, rh Mr David  Graham, Richard  Liddell-Grainger, Mr Ian
Baron, Mr John  Dinenage, Caroline  Grant, Bill  Liddingon, rh Mr David
Bebb, Guto  Docherty, Leo  Hall, Luke  Little Pengelly, Emma
Bellingham, Sir Henry  Dodds, rh Nigel  Hammond, rh Mr Philip  Lopez,Julia
Benyon, rh Richard  Donaldson, rh Sir Jeffrey M.  Hammond, Stephen  Lopresti, Jack
Berry, Jake  Donaldson, rh Sir J-effrey M.  Hancock, rh Matt  Lord, Mr Jonathan
Blackman, Bob  Donelan, Michelle  Hands, rh Greg  Loughton, Tim
Blunt, Crispin  Dorries, rh Ms Nadine  Harper, rh Mr Mark  Mackinlay, Craig
Boles, Nick  Dowden, Oliver  Harrington, Richard  Maclean, Rachel
Bone, Mr Peter  Doyle-Price, Jackie  Harris, Rebecca  Main, Mrs Anne
Bottomley, Sir Peter  Drax, Richard  Harrison, Trudy  Mak, Alan
Bowie, Andrew  Duddridge, James  Hart, Simon  Malthouse, Kit
Bradley, Ben  Duguid, David  Hayes, rh Mr John  Mann, Scott
Bradley, rh Karen  Duncan, rh Sir Alan  Heald, rh Sir Oliver  Masterton, Paul
Brady, rh Sir Graham  Duncan, rh Sir Alan  Heappey, James  Maynard, Paul
Brereton, Jack  Duncan Smith, rh Mr Iain  Heaton-Harris, Chris  McLoughlin, rh Sir Patrick
Bridgen, Andrew  Dunne, Mr Philip  Heaton-Jones, Peter  McPartland, Stephen
Brine, Steve  Duff, rh Nigel  Henderson, Gordon  McVey, rh Ms Esther
Browne, Fiona  Donaldson, rh Sir Jeffrey M.  Herbert, rh Nick  Menzies, Mark
Buckland, Robert  Donelan, Michelle  Hinds, Damian  Mercer, John
Burnham, Alex  Dorries, Ms Nadine  Hoare, Simon  Merrion, Huw
Burns, Conor  Dowden, Oliver  Hollingbery, George  Metcalfe, Stephen
Burt, rh Alistair  Double, Steve  Hollinrake, Kevin  Miller, rh Mrs Maria
Cairns, rh Alun  Doyle-Price, Jackie  Hollobone, Mr Philip  Milling, Amanda
Cairns, rh Alun  Drax, Richard  Holloway, Adam  Mills, Nigel
Cameron, Mrs Kemi  Duddridge, James  Howell, John  Milton, rh Anne
Campbell, Mr Gregory  Duguid, David  Huddleston, Nigel  Mitchell, rh Mr Andrew
Caroline, James  Duncan, rh Sir Alan  Hughes, Eddie  Moore, Damien
Cash, Sir William  Duncan Smith, rh Mr Iain  Hunt, rh Mr Jeremy  Mourant, Mr Peter
Caufield, Maria  Dunne, Mr Philip  Hurd, rh Mr Nick  Morris, Anne Marie
Chalk, Alex  Ellis, Michael  Jack, Mr Alister  Morris, David
Chishii, Reham  Ellwood, rh Mr Tobias  James, Margot  Morris, James
Chope, Sir Christopher  Elphicke, Charlie  Javid, rh Sajid  Morton, Wendy
Churchill, Jo  Eustice, George  Jayawardena, Mr Ranil  Mundell, rh David
Clark, Colm  Evans, rh Mr Nigel  Jenkin, Mr Bernard  Murray, Mrs Sheryl
Clark, rh Greg  Evans, rh Mr Nigel  Jenkyns, Andrea  Morrison, Dr Andrew
Clarke, rh Mr Kenneth  Evernett, rh David  Jenrick, Robert  Neill, Robert

**Tellers for the Ayes:**

Heidi Alexander and Stephen Doughty

Vaz, rh Keith  Vaz, Valerie  Walker, Thelma  Watson, Tom  West, Catherine  Western, Matt  Whitehead, Dr Alan  Whitfield, Martin  Whitford, Dr Philippa  Williams, Hywel  Williams, Dr Paul  Williamson, Chris  Wilson, Phil  Wishart, Pete  Woodcock, John  Yasin, Mohammad  Zeichner, Daniel

Yasin, Mohammad  Zeichner, Daniel
This purpose of this New Clause is to ensure that the alternative of remaining in the EU single market and customs union is formally considered by Parliament on the basis of an independently validated economic assessment before any statute approving the final terms of withdrawal takes effect.

Brought up.

Question put. That the clause be added to the Bill.

The House divided: Ayes 301, Noes 320.

**Division No. 100**

<table>
<thead>
<tr>
<th>AYES</th>
<th>Noes</th>
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<td>Abdott, Rh Ms Diane</td>
<td>Cummins, Judith</td>
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**Question accordingly negatived.**

**New Clause 17**

**Effect of Losing Access to EU Single Market and Customs Union**

“(1) The Prime Minister must publish and lay before both Houses of Parliament an assessment of the impact on the economy of the United Kingdom, and on each nation, province or region of the United Kingdom, of any unratified agreement ("the Agreement") between the United Kingdom and the EU under Article 50(2) of the Treaty on European Union which sets out the arrangements for the United Kingdom’s withdrawal from the EU.

(2) The assessment in subsection (1) must so far as practicable analyse the expected difference in outcomes between the Agreement and continued participation in the EU single market and customs union.

(3) The assessment in subsection (1) must be prepared by the Treasury and must include separate analyses from the National Audit Office, the Office of Budget Responsibility, the Government Actuary’s Department, and the finance directorates of each of the devolved Administrations of the methodology and conclusions of the Treasury assessment.

(4) A statute of the kind mentioned in section 9 (approving the final terms of withdrawal of the United Kingdom from the European Union) may not come into effect until the Prime Minister’s assessment under subsection (1) has been—

(a) debated by each House of Parliament, and

(b) approved by resolution of the House of Commons.”—[Ian Murray.]"
European Union (Withdrawal) Bill

17 JANUARY 2018

European Union (Withdrawal) Bill

Tellers for the Ayes:

Martin Whitfield and Heidi Alexander

NOES

Clark, rh Greg
Clare, rh Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, rh Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glynn
Davies, Mims
Davies, Philip
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky

Snell, Gareth
Sobel, Alex
Soubry, rh Anna
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeling, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewillis, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thomson, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen

Adams, Nigel
Afolami, Bim
Afrifje, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, rh Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, rh Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Bradly, Sir Graham
Breereton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin

Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitting, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel
“(1) A Minister of the Crown may by regulations make such provision as the Minister considers necessary to prevent, remedy or mitigate—

(a) any failure of retained EU law to operate effectively, or

(b) any other deficiency in retained EU law,

arising from the withdrawal of the United Kingdom from the EU.

(2) Deficiencies in retained EU law are where the Minister considers that retained EU law—

(a) contains anything which has no practical application in relation to the United Kingdom or any part of it or is otherwise redundant or substantially redundant,

(b) confers functions on, or in relation to, EU entities which no longer have functions in that respect under EU law in relation to the United Kingdom or any part of it,


Question accordingly negatived.

Clause 7

DEALING WITH DEFICIENCIES ARISING FROM WITHDRAWAL

Amendment proposed: 2, page 5, line 6, leave out subsections (1) to (6) and insert—

“(1) A Minister of the Crown may by regulations make such provision as the Minister considers necessary to prevent, remedy or mitigate—

(a) any failure of retained EU law to operate effectively, or

(b) any other deficiency in retained EU law,

arising from the withdrawal of the United Kingdom from the EU.

(2) Deficiencies in retained EU law are where the Minister considers that retained EU law—

(a) contains anything which has no practical application in relation to the United Kingdom or any part of it or is otherwise redundant or substantially redundant,

(b) confers functions on, or in relation to, EU entities which no longer have functions in that respect under EU law in relation to the United Kingdom or any part of it,


Tellers for the Noes:

David Rutley and

Craig Whittaker
(c) makes provision for, or in connection with, reciprocal arrangements between—
(i) the United Kingdom or any part of it or a public authority in the United Kingdom, and
(ii) the EU, an EU entity, a member State or a public authority in a member State, which no longer exist or are no longer appropriate,
(d) makes provision for, or in connection with, other arrangements which—
(i) involve the EU, an EU entity, a member State or a public authority in a member State, or
(ii) are otherwise dependent upon the United Kingdom’s membership of the EU, and which no longer exist or are no longer appropriate,
(e) makes provision for, or in connection with, any reciprocal or other arrangements not falling within paragraph (c) or (d) which no longer exist, or are no longer appropriate, as a result of the United Kingdom ceasing to be a party to any of the EU Treaties,
(f) does not contain any functions or restrictions which—
(i) were in an EU directive and in force immediately before exit day (including any power to make EU tertiary legislation), and
(ii) it is appropriate to retain, or
(g) contains EU references which are no longer appropriate.

(3) But retained EU law is not deficient merely because it does not contain any modification of EU law which is adopted or notified, comes into force or only applies on or after exit day.

(4) Regulations under this section may make any provision that could be made by an Act of Parliament.

(5) Regulations under this section may provide for—
(a) functions of EU entities or public authorities in member States (including making an instrument of a legislative character or providing funding) to be exercisable instead by a public authority (whether or not newly established or established for the purpose) in the United Kingdom,
(b) the establishment of public authorities in the United Kingdom to carry out functions provided for by regulations under this section.

(6) Regulations to which subsection (5) apply must ensure that the functions of such EU entities or public authorities are exercised with equivalent scope, purpose and effect by public authorities in the United Kingdom.

(7) But regulations under this section may not—
(a) impose or increase taxation,
(b) make retrospective provision,
(c) create a relevant criminal offence,
(d) be made to implement the withdrawal agreement,
(e) amend, repeal or revoke the Human Rights Act 1998 or any subordinate legislation made under it,
(f) amend or repeal the Northern Ireland Act 1998 (unless the regulations are made by virtue of paragraph 13(b) of Schedule 7 to this Act or are amending or repealing paragraph 38 of Schedule 3 to the Northern Ireland Act 1998 or any provision of that Act which modifies another enactment),
(g) contain any provision the effect of which is that, in comparison with the position immediately before the exit date—
(i) any right conferred on a person by retained EU law is either removed or made less favourable,
(ii) any standard laid by retained EU law is lowered, or
(iii) any remedy, procedure or method of enforcement, in relation to any rights or standards conferred by retained EU law, is made less effective, or
(h) amend, repeal or revoke the Equality Act 2010 or any subordinate legislation made under that Act.”—(Matthew Pennycook.)

This amendment restricts the Clause 7 powers so as to ensure they are only used as far as is necessary for the purposes of the Bill, that they do not abolish enforcement functions and that they do not reduce rights or protections.

Question put. That the amendment be made.

The House divided: Ayes 302, Noes 318.

Division No. 101

AYES

Abbott, rh Ms Diane
Alexander, Heidi
Ali, Rushanara
Alin-Khan, Dr Rosena
Amesbury, Mike
Antoniacci, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brahe, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Caddby, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clarke, rh Mr Kenneth
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Curran, Mark
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martin
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
dhesi, Mr Tammanjeet Singh
docherthy-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
eagle, Ms Angela
eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
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Gapes, Mike
Gardiner, Barry
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Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret

Division No. 101

Ayes 302, Noes 318.

The House divided:

Ayes 302, Noes 318.
Tellers for the Ayes:
Nick Smith and Jeff Smith

NOES

Clark, Colin
Clark, rh Greg
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davies, Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Donohue, Ms Nadine
Double, Steve
Downen, Oliver
Dowden, Jamie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr lain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Amendments made: 14, page 5, line 11, leave out “incorporate (but are not limited to)” and insert “are”.

This amendment ensures that the deficiencies identified in Clause 7(2) form an exhaustive list rather than an illustrative list. Therefore nothing can be a deficiency for the purposes of Clause 7 unless it is identified in Clause 7(2) or provided for by Clause 7(2A) (for which see amendment 15).

Amendment 15, page 5, line 41, at end insert—

“(b) a deficiency in retained EU law of a kind described, or

(a) anything in retained EU law which is of a similar kind to any deficiency which falls within subsection (2), or

(b) a deficiency in retained EU law of a kind described, or provided for, in regulations made by a Minister of the Crown.”

This amendment provides that anything which is of a similar kind to any deficiency falling within paragraphs (a) to (g) of Clause 7(2) is also a deficiency for the purposes of Clause 7. It also provides for a Minister of the Crown to describe, or provide for, other deficiencies in regulations. Both changes are to be read in the light of amendment 14 which restricts the type of things that can be deficiencies for the purposes of Clause 7.
Amendment 16, page 5, line 45, leave out “this section” and insert “subsection (1)”. This amendment is consequential on amendment 15.

Amendment 17, page 6, line 1, leave out “this section” and insert “subsection (1)”. This amendment is consequential on amendment 15.

Amendment 18, page 6, line 10, leave out “this section” and insert “subsection (1)”. This amendment is consequential on amendment 15.

Amendment 19, page 6, line 12, leave out “this section” and insert “subsection (1)” — (Mr Baker.) This amendment is consequential on amendment 15.

Clause 9

IMPLEMENTING THE WITHDRAWAL AGREEMENT

Amendment proposed: 59, page 7, line 16, at end insert—

‘(5) No regulations may be made under this section until the Secretary of State has signed an agreement with the European Union guaranteeing that the United Kingdom will remain a permanent member of the single market and customs union.’ — (Peter Grant.)

This amendment would mean the UK would confirm its continued membership of the single market and customs union before Ministers of the Crown can carry out any actions under Clause 9 of the Bill.

Question put, That the amendment be made.

The House divided: Ayes 99, Noes 322.

Division No. 102] [5.59 pm

AYES

Alexander, Heidi
Ali, Rushanara
Bardell, Hannah
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Bradshaw, rh Mr Ben
Brake, rh Tom
Brock, Deidre
Brown, Alan
Bryant, Chris
Cabinet, rh Sir Vince
Cable, Patricia
Cassidy, Ruth
Cameron, Dr Lisa
Carmichael, rh Mr Alistair
Chapman, Douglas
Cherry, Joanna
Clarke, rh Mr Kenneth
Clwyd, rh Ann
Coffey, Ann
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Davey, rh Sir Edward
Davies, Geraint
Day, Martyn
Docherty-Hughes, Martin
Doughty, Stephen
Eagle, Maria
Edwards, Jonathan
Ellman, Mrs Louise
Farron, Tim
Gapes, Mike
Moon, Mrs Madeleine
Moran, Layla
Murray, Ian
Newlands, Gavin
O’Hara, Brendan
Owen, Albert
Ryan, rh Joan
Saville Roberts, Liz
Sheerman, Mr Barry
Sheppard, Tommy
Shuker, Mr Gavin
Siddiq, Tulip
Slaughter, Andy
Smith, Angela
Sobel, Alex
Stephens, Chris

NOES

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breerton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chi, Rehan
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, Mr Simon
Cleaver, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérese
Collins, Damian
Costa, Alberto

Stevens, Jo
Stone, Jamie
Streeting, Wes
Swinson, Jo
Thewliss, Alison
Umunna, Chuka
Vaz, rh Keith
West, Catherine
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Wishart, Pete
Zeichner, Daniel

Tellers for the Ayes: David Linden and Marion Fellows

Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davis, Chris
Davis, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davies, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherthy, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Elwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evanett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Amendment proposed: 1, page 11, line 40, at end insert—

‘(2A) Subsection (2B) applies if any “exit day” appointed in this Act is not in accordance with any transitional arrangements agreed under Article 50 of the Treaty of the European Union.

(2B) A Minister of the Crown may by regulations—

(a) amend the definition of “exit day” in the relevant sections to ensure that the day and time specified are in accordance with any transitional arrangements agreed under Article 50 of the Treaty of the European Union, and

(b) amend subsection (2) in consequence of any such amendment.

(2C) Regulations under subsection (2B) are subject to the affirmative procedure.’—(Matthew Pennycook.)

This amendment ensures that the Bill can facilitate transitional arrangements within the single market and customs union.

Question put. That the amendment be made.

The House divided: Ayes 302, Noes 321.

Division No. 103

[6.12 pm]

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara

Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonya
Ashworth, Jonathan
Yasin, Mohammad
Zeiachner, Daniel

**Tellers for the Ayes:**

Nick Smith and
Jeff Smith

**NOES**

Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodd, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Durries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Sir Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evanneth, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francesco, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillian, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, rh Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halton, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hann, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hoey, Kate
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddlestone, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kaczynski, Daniel
Keeghan, Gillian
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grange, Iain
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scots
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O’Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Poultier, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quine, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John

Baldwin, Harriett
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Behb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Breer, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartwright, James
Cash, rh William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, Mr Simon
Cleverty, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David

McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O’Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
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Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quine, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
This amendment is consequential on amendment 15.

"section 7" and insert "section7(1)". — (Mr Baker.)

This amendment is consequential on amendment 15.

This amendment ensures that the power in Clause 14(4) to amend the definition of "exit day" is subject to the affirmative procedure.

This amendment is consequential on amendment 15.

This amendment is consequential on amendment 15.

This amendment is consequential on amendment 15.

This amendment is consequential on amendment 15.

This amendment is consequential on amendment 15.

This amendment is consequential on amendment 15.

This amendment ensures that the requirement for a Minister of the Crown to make an explanatory statement as to appropriateness and equalities etc. applies before a draft instrument containing regulations under Clause 7(1), 8 or 9 is laid before the House of Commons for the purposes of sifting as well as in other cases.

Amendment 36, page 51, line 22, after “Houses” insert “or before the House of Commons only”. — (Mr Baker.)

This amendment ensures that, where a Minister of the Crown has been required to make an explanatory statement as to appropriateness and equalities etc. before a draft instrument containing regulations under Clause 7(1), 8 or 9 is laid before the House of Commons for the purposes of sifting, there is no need to make a further statement after sifting when an equivalent instrument is laid before both Houses of Parliament after being made or as a draft affirmative instrument.

Schedule 8

CONSEQUENTIAL, TRANSITIONAL, TRANSITORY AND SAVING PROVISION

Amendments made: 37, page 62, line 25, at end insert—

"(1) Paragraph 3 of Schedule 1 does not apply in relation to any proceedings begun within the period of 3 months beginning with exit day so far as—

(a) the proceedings involve a challenge to anything which occurred before exit day, and

(b) the challenge is not for the disapplication or quashing of—

(i) an Act of Parliament or a rule of law which is not an enactment, or

(ii) any enactment, or anything else, not falling within sub-paragraph (i) which, as a result of anything falling within that sub-paragraph, could not have been different or which gives effect to, or enforces, anything falling within that sub-paragraph.”

This amendment amends the effect of paragraph 3 of Schedule 1 by permitting legal challenges on or after exit day based on the general principles of EU law where those challenges relate to anything which happened before exit day, are made within 3 months of exit day and are not for the disappplication or quashing of an Act of Parliament or the common law or anything related to them.

Amendment 38, page 62, line 29, at end insert “or made on or after that day by virtue of this paragraph”. — (Mr Baker.)

This amendment amends Schedule 1 by providing that transition provisions relating to actions under the general principles of EU law which challenged on or after exit day must be based on the necessary consequences of a decision of a court or tribunal made on or after exit day as a result of amendment 37 or under other transitional provisions in paragraph 27 of Schedule 8.

Third Reading

Queen's consent signified.

Mr Speaker: I inform the House that I have selected the amendment in the name of the leader of the Scottish National party.

6.28 pm

The Secretary of State for Exiting the European Union (Mr David Davis): I beg to move. That the Bill be now read the Third time. Taking a leaf out of the Liberal Democrat book, I do so enthusiastically.

The Bill is essential to preparing the country for the historic milestone of withdrawing from the European Union. It ensures that on day one we will have a statute...
book that works, with this Government delivering the smooth and orderly exit desired by people and businesses across the United Kingdom. It is a complex piece of legislation, which is unsurprising given that it seeks to put into British law the entire acquis of European law—established over 40 years or more of membership—and to do so in a few years while active negotiations are going on.

The House has spent more than 80 hours discussing the Bill’s principles and why they are necessary. We have scrutinised each clause and schedule in detail, and we have debated the merits of more than 500 amendments and new clauses. I thank the Members who took the time to table amendments, and I thank them for the spirit in which they have engaged with the debate throughout. I pay tribute to the Clerks and officials in the Public Bill Office who have provided invaluable support for Members in all parts of the House, advising on the drafting and tabling of those hundreds of amendments.

I pay special tribute to several colleagues for their individual contributions. I thank my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) and my hon. Friend the Member for Broxbourne (Mr Walker) for tabling amendments that will undoubtedly enhance this legislation by providing greater certainty over the timing of exit day and how secondary legislation will be scrutinised. I also pay tribute to other Conservative colleagues for their contributions throughout the debate, notably my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), my right hon. and learned Friend the Member for Beaconsfield (Mr Grieve), my right hon. Friend the Member for Ochil and South Perthshire (Mr Vaz) and for Normanton, Pontefract and Castleford (Yvette Cooper) and for Leeds Central (Hilary Benn), the right hon. Members for Normanton, Pontefract and Castleford (Yvette Cooper) and for Normanton, Pontefract and Castleford (Yvette Cooper) and for Leeds Central (Hilary Benn), the right hon. Member for Walsall North (Brook Amery) and for North Down (Lady Hermon) among many others, who all played—

Perhaps most notably—and happily for me—we have listened to the concerns expressed about the scrutiny of secondary legislation. On Second Reading, my right hon. Friend the Member for Broxtowe (Anna Soubry) shared her concerns about the process of scrutinising the 800 to 1,000 statutory instruments required under this Bill. I made it clear then that we would happily discuss the feasibility of establishing a triage process. With this in mind, the Government welcomed amendments made to the Bill proposed by the Procedure Committee to establish such a sifting Committee. I hope that all Members agree that we have approached scrutiny of this vital piece of legislation in a pragmatic way and worked collaboratively to improve the Bill.

We have also intensified our positive discussions with the devolved Administrations and legislatures to find an agreed approach to clause 11, and we intend to bring forward amendments in the other place.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the Secretary of State give way?

Mr Davis: No, I will not.

We are committed to achieving legislative consent for this vital piece of legislation. We are sending an improved piece of legislation onwards to the other place and I hope that that House will acknowledge the substance
and spirit of the debate and scrutiny this Bill has received thus far and that debate there will unfold in the same constructive way in which it has in our House.

The scrutiny of this vital legislation remains one of the most important tasks that we parliamentarians have had before us for some time. I believe that this House is risen to the occasion by ensuring that the Bill continues its journey throughout Parliament in a much improved form. I commend it to the House, and I believe that this is an historic occasion.

6.34 pm

Keir Starmer (Holborn and St Pancras) (Lab): This Bill has never been fit for purpose. It was not fit for purpose when it started its life last year, and after 64 hours in Committee and 10 hours on Report it is still not fit for purpose. We have repeatedly pointed to six serious defects in the Bill. We pointed them out when the White Paper was published 10 months ago, in March last year. We pointed them out again when the Bill was first published in July last year, and I wrote to the Secretary of State setting out those six serious defects and inviting him to address them before the debate on Second Reading. He declined to do so. We pointed them out on Second Reading in September and we pointed them out again in Committee, but we have been talking to a brick wall. The Government have not accepted any of the points that the Opposition have made. They have conceded some ground on their own side, but they have not taken seriously the propositions and arguments that we on this side have put forward. In my experience of dealing with Bills, that is unusual. They have simply robotically voted down all Opposition amendments.

Let me start with the shenanigans surrounding exit day. For purely political reasons, the Government introduced a gimmick amendment to fix exit day in the Bill at 11 o’clock on 29 March 2019 for all purposes. I have no doubt that if a vote on that amendment had been taken on day one in Committee the Government would have suffered another loss on this Bill because it was so obviously a defective amendment. It was absurd in so many respects that it is hard to know where to start. Let me deal with clause 6(1), which states:

“A court or tribunal…is not bound by any principles laid down, or any decisions made, on or after exit day by the European Court, and…cannot refer any matter to the European Court on or after exit day.”

So clause 6(1), as amended, means that there cannot be any reference to the European Court of Justice after 29 March 2019. However, in December, the Government committed in phase 1 to allowing EU citizens to refer to that Court for another eight years after article 50. Their amendment disables that. It is inconsistent with phase 1. Moreover, we have consistently said that there will have to be transitional measures in relation to article 50, and they will have to be on the same basic terms as we have now, which means staying in the single market and the customs union and under the jurisdiction of the European Court of Justice. So putting an amendment into the Bill that disables the European Court of Justice is inconsistent with the transitional measures.

I acknowledge that the Government have accepted—as they had to—an amendment to their own amendment, but that does not remedy the defect. All it does is tidy up the problem if there is an extension of article 50. It does not enable transitional arrangements on the same basic terms as now, which is what will be needed, and it does not enable EU citizens to exercise the rights that the Government guaranteed to them in the phase 1 agreement. So we are now in a ridiculous position.

I have pretty well given up on predictions, but it seems to me that the Government will now be bound to introduce subsequent legislation to amend this Bill before it comes into force. They will have to do that. It is one thing to pass a Bill and say that there might come a time when it has to be amended. It is another thing to pass a Bill knowing that between now and its coming into force, they will have to intercept it again to disable a provision that they are putting into the Bill. That is how absurd this has got—[Interruption.] Well, let us see whether there is an amendment to repeal this provision next time we are here. If there is not, we will lose the jurisdiction of the Court just at the time when the Government have promised EU citizens they will continue to have it.

As I made clear on Second Reading, thousands of provisions are being converted into our law, and the charter of fundamental rights is apparently the only one that cannot be converted. That is nonsense. The Government are being driven by ideology, not law.

The Government’s defence of their position is in tatters. The Secretary of State says it does not matter because the charter never added any rights, overlooking, of course, the case he brought against the then Home Secretary. His junior Minister, the hon. Member for Fareham (Suella Fernandes), whom I welcome to her place, says the complete opposite. She wrote an article in The Daily Telegraph expressing her concern and objecting to the charter precisely because it does add rights. I do not think that is the only issue on which she agrees to disagree with the Secretary of State. I do not know what team meetings are like in these early days, but I would like to be a fly on the wall as they try to reconcile their irreconcilable views on how we deal with Brexit.

Of course, the truth is that some of the rights are covered elsewhere, but others are not. The exercise the Government carried out proves the point—the Government’s position is deeply unpersuasive. The whole point of the charter was to gather all the rights and protections that existed discretely in other places and put them into one document. The Government have now decided that the best strategy is to scatter them back to where they started.

When pressed forcefully by the right hon. and learned Member for Rushcliffe (Mr Clarke) on the simple question why on earth the Government are doing this, the Solicitor General was driven yesterday to the answer that the sole intention is to avoid chaos. Well, that is what the charter looks like—a slim document that sets out the rights clearly—and this is the Government’s alternative: 73 pages of material telling people where to look for other sources on their rights. One is clear and the other is chaos.

The delegated powers in this Bill are far too widely drawn, and they are still subject to far too little parliamentary scrutiny. In Committee and on Report, the Government have ignored concerns that the delegated powers should be used only where necessary, that enforcement mechanisms should not be abolished by delegated powers and that rights and protections should not be taken away by delegated powers. The proposed
shifting Committee—sifting Committee simply is not sufficient to scrutinise—[Interruption.] I had “shifty” on my mind when I looked up momentarily and saw the Secretary of State.

That is not the only cause for concern. Until exit, many EU-derived rights and protections are protected because of our membership of the EU. The protection falls away as we leave the EU, and that is not an idle point. The Bill leaves areas of employment law, such as the transfer of undertakings, annual leave regulations and the working time directive, vulnerable to Ministers with wide delegated powers. Those areas will no longer be protected. Our simple proposal that primary legislation should be used to alter those rights has been rebuffed at every turn.

There is a pretty united view on both sides of the House that clause 11 is defective, and Scottish Conservative Members have argued that the clause is not fit for purpose. The Government said they would table an amendment on Report, which has come and gone with no amendment. Unless the Lords puts this right, a Bill with a serious defect will be passed by Parliament. The Government might have a defence if this issue had arisen at a late stage, but this is one of the issues we raised in March 2017, and it has been raised by everyone who has read the Bill since. In 10 months, there has been no progress. The hon. Member for Stirling (Stephen Kerr), a Conservative, said yesterday that he is deeply disappointed, dissatisfied and frustrated. As he rightly said, it is not appropriate for the Government to blame outside influences for the lack of amendment on this issue. Members on both sides of the House will have to ask themselves whether they are willing to wave through a Bill that they know will weaken the devolution settlement of the devolved Administrations. On this side of the House, we are not willing to take that risk.

Let me turn to the sixth issue, which is the meaningful vote on article 50. This is the one area where change has been forced by a vote in this House. The Government of course fought that tooth and nail. To those Conservative Members who voted on that issue and pushed it, and were as a result described as “traitors” and “mutineers”, may I just say thank you? I thank them for standing up for what was right when others told them to stay sitting down. That vote was an important step forward. As we have long maintained, it is crucial to ensure this House has a say on the article 50 deal. How it will operate is now not clear, so let me put the Government on notice: unless the Lords puts this right, a Bill despite the announcement by the Secretary of State for Scotland that the Government intended to table them for Report Stage and declines to give a Third Reading to the Bill because it is not fit for purpose as it undermines the fundamental principles of the Scotland Act 1998 by reserving to the UK Parliament powers that would otherwise be devolved to the Scottish Parliament on the UK leaving the European Union.

It grieves me to have to move the SNP’s reasoned amendments to Clause 11 of the European Union (Withdrawal) Bill despite the announcement by the Secretary of State for Scotland that the Government intended to table them for Report Stage and declines to give a Third Reading to the Bill because it is not fit for purpose as it undermines the fundamental principles of the Scotland Act 1998 by reserving to the UK Parliament powers that would otherwise be devolved to the Scottish Parliament on the UK leaving the European Union.

6.47 pm

Sir William Cash: In brief, this Bill, with clause 1, which says that we are repealing the European Communities Act 1972, reflects the will of the people on 23 June 2016 and the will of this House, as expressed in the votes. So there are two absolutely valid reasons why this Bill must go through: it represents the will of the people outside the House; and it represents the will of the people inside the House. Therefore, I say one thing only when it goes to the House of Lords: those in the House of Lords must surely realise that they agreed to the European Union Referendum Act 2015, a sovereign Act of Parliament, which went through and enabled the question of whether we leave or remain in the European Community to be decided by the people outside. That was a transfer of power deliberately taken by this House and it must be carried through.

That is all I need to say, other than that for 33 years it has been my privilege to try to fight for this proposal and I am deeply grateful to all the people in the House who have agreed to it and to those who have exercised their democratic right to oppose those views.

6.49 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I beg to move an amendment, to leave out from “That” to the end of the Question and add: “this House regrets the non-appearance of any Government amendments to Clause 11 of the European Union (Withdrawal) Bill despite the announcement by the Secretary of State for Scotland that the Government intended to table them for Report Stage and declines to give a Third Reading to the Bill because it is not fit for purpose as it undermines the fundamental principles of the Scotland Act 1998 by reserving to the UK Parliament powers that would otherwise be devolved to the Scottish Parliament on the UK leaving the European Union.”

I thank you, Mr Speaker, for the way you have made sure that these proceedings have been conducted in an admirable manner over the past few weeks, and I thank all those who have contributed. I have to thank the Secretary of State for the courteous way he has always behaved in his dealings with us in this Chamber and of course elsewhere—we do not take that for granted.

It grieves me to have to move the SNP’s reasoned amendment that would decline the Bill a Third Reading because I would like to be in a situation in which we were not doing so. Over the past five months, we have seen the Government ducking and diving any responsibility for the legal and constitutional make-up of the UK by railroading through Parliament a car-crash plan to leave the EU.
The Secretary of State for Scotland should be ashamed of himself. First, he promised the people of Scotland that the Bill would result in a powers bonanza; then he slapped us with clause 11—the now famous power-grab element of the legislation—the extent of which is not only staggering but an absolute constitutional outrage. Even the hon. Member for East Renfrewshire (Paul Masterton), who is in his place, has been clear, noting in this House that “clause 11 is not fit for purpose”.—[Official Report, 4 December 2017; Vol. 632, c. 731.]

In 1997, the people of Scotland voted for the reconvening of the Scottish Parliament. Clause 11 represents a massive power grab that undermines the very principles on which the Scottish Parliament was established. The Scottish Government have published a list of 111 powers that are at risk from the clause, and just last week the Scottish Parliament’s Finance and Constitution Committee agreed unanimously not to recommend that the Scottish Parliament give legislative consent to the Bill. The Committee found clause 11 to be incompatible with devolution.

The Secretary of State for Scotland himself admitted that the Bill needed to be amended, which brings me to the latest insult that the Government have afforded to all the people of Scotland. In December, the Secretary of State promised that the Government would table amendments to clause 11 on Report. Report has obviously passed and not one single promised Government amendment was tabled to clause 11. Statements and promises made at the Dispatch Box cannot be sidestepped or ignored. The failure to deliver on commitments made at the Dispatch Box undermines the integrity of political office and undermines our democracy, never mind the democratic rights of the devolved institutions that we are seeking to protect. I am not talking about some abstract principle; I am talking about the rights hard won and delivered with, for example, the passing of the Scotland Act 1998, which brought in devolution. It is an insult to the people of Scotland, who are growing weary of a Conservative Government who promise everything and deliver nothing.

Last night, we saw the Scottish Tories traipe through the Lobby under the command of their London leader. They are just Lobby fodder here. How will they explain themselves to their branch manager in Holyrood? The Bill will carry on to the House of Lords. It is almost as if the Government are now acting as the independence movement for Scotland. The arrogance of those who think that the introduction of amendments on the legislative competence of the democratically elected Scottish Parliament can be implemented by unelected peers is an affront to democracy.

I echo some of the fundamental concerns about other parts of the Bill that only compound our opposition to it. There have been some dignified and honourable speeches from Members during the Bill’s journey so far, but the Government’s approach to the Bill and their attitude in respect of clause 11 is simply not good enough. A wise man once said that having a majority of seats did not mean having a monopoly on wisdom. I call on the Prime Minister to heed that advice. The Bill needs to be changed fundamentally, and the Government need to adopt a new approach fast, or they will trigger a constitutional crisis of their own making.

Conservatives should remember that their standing in face of demands for the re-establishment of the Scottish Parliament contributed to the wipeout of Conservative MPs from Scotland in 1997. What happened yesterday was a failure of the Government and Scottish Tory MPs to defend our national interests and those of our own constituents. History is repeating itself. What are the Scottish Tories here for? Will they join us in standing up for Scotland’s interests? Tonight, by supporting our reasoned amendment, Parliament has the opportunity to remove itself from encroaching on the devolution settlement. Members of this House have the opportunity to protect the constitutional rights of devolved Administrations. We cannot afford the responsibility for digging the Government out of their task in this House to be taken by the House of Lords.

In conclusion—[Interruption.] The Tories can cheer, but the fact remains that the people of Scotland will be watching and will be aware of the fact that the Scottish Parliament has been stripped of its rights. In declining a Third Reading this evening, we send a clear signal to the Government that this House cannot allow the commitments made and broken to pass. It is the last chance for Scottish Tory MPs to join us and stand up for the devolved settlement. It is for the people of Scotland to determine their constitutional future. We cannot pass that power to the unelected House of Lords. The irony that the Lords, not the Commons, has the responsibility for protecting Scotland’s interests will not be lost on people. I say to the Scottish Tory MPs that they should join us in the Lobby tonight or ultimately pay the price. Scotland is watching.

6.55 pm

Sir Edward Leigh (Gainsborough) (Con): The shadow Secretary of State said that this Bill is not fit for purpose, and I agree with him. It is not fit for purpose for staying in the EU, but it is fit for purpose for implementing the greatest festival of democracy that this country has ever known. In June 2016, 17 million of our citizens voted to leave the EU, and all this Government are doing is implementing that decision in a positive way that will ensure that we are generous to all the EU citizens who live here, generous in terms of the EU budget and, in this Bill, generous in taking all EU laws and directives into our law.

In Zurich in 1946, Winston Churchill outlined his vision for Europe, but he made it clear that we should not be part of that united Europe. In 1972, plagued with self-doubt, we joined the European Union. Tonight—this historic moment—we plough a new historic course to create a world fit for free trade. Vote for the Third Reading.

6.57 pm

Hilary Benn: This Bill is necessary but, as my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) so eloquently pointed out, deeply flawed. Despite the changes that have been made, it remains deeply flawed, and their lordships will have a lot of work to do as it passes down the corridor. I welcome the Government’s move to accept the need for primary legislation to implement the withdrawal agreement, but the task now for the House as we watch the Bill depart is to think about the future.
The hon. Member for Gainsborough (Sir Edward Leigh) talked about a vision, but let us tell each other the truth. At the moment, we have no idea what is going to go into the withdrawal agreement, partly because it has not yet been negotiated, but mainly because the Cabinet is yet to decide what it wishes to ask for, and the House should be really rather anxious about the position that we find ourselves in. The referendum result was 19 months ago, but there are only nine months to go until the negotiations are meant to end, and the discussions on our future trading arrangements may not begin until March. The House will be very concerned about that position.

The truth is that the Government cannot reach agreement. The truth is that they are probably the first Government in history to go into negotiations knowing that they will almost certainly end up with a worse deal than we currently have because of the red lines that they have chosen to put in place, and knowing that it will not therefore be possible to honour the promise that has been made to the people of Northern Ireland and indeed of the Republic about an open border. Therefore, if I have one plea, as we see this Bill depart for now, it is indeed of the Republic about an open border. Therefore, it has not yet been negotiated, but mainly because the Government in history to go into negotiations knowing that they are seeking, because when we come to that set out for this House and for the British people what it is that they are seeking, because when we come to that meaningful vote, believe you me, this House will ensure that it is meaningful when it comes to decisions about our future.

6.59 pm

Anna Soubry: My right hon. and learned Friend the Member for Beaconsfield (Mr Grieve) will go down in the history books as one of the great parliamentarians, as he has shown great courage and leadership in making what he rightly described a monstrosity certainly more palatable. That is why I and no doubt many others will now vote for this Bill on Third Reading. It delivers what it sets out to do, which is this transposing of law, and that is right, but it is by no means perfect and we have yet to discuss the big issues that divide our nation.

Question put, That the amendment be made.

The House divided: Ayes 295, Noes 322.

Division No. 104] [7 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniacci, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Bloomfield, Paul
Brabin, Tracy
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambo
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Cresay, Stella
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Cooper, rh Mr Ben
Brake, Tom
Brown, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryan, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambo
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Cresay, Stella
Cryer, John
Cummings, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Cooper, rh Mr Ben
Brake, Tom
Brown, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryan, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Heburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hollob, Kate
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Helen
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keefee, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lamb, rh Norman
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Ms Karen
Leisle, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
European Union (Withdrawal) Bill

17 JANUARY 2018

Badenoch, Mrs Kemi
Bacon, Mr Richard
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spearer, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thelwis, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Tiggw, Derek
Tiggw, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellors for the Ayes:
Marion Fellows and David Linden

Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Breereton, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverley, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davies, rh Mr David
Dinenage, Caroline
Dj矫glony, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Fernandes, Suella
Field, rh Frank
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam

Francois, rh Mr Mark
Frazier, Lucy
Freeman, George
Freer, Mike
Fyeh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greenging, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hoey, Kate
Hollingbery, George
Hollinsrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howard, John
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, rh Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, rh Mr Marcus
The House divided: Ayes 324, Noes 295.
Division No. 105

[7.13 pm]

**AYES**

Adams, Nigel
Afolami, Bim
Afridi, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Andrew, Stewart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brady, Sir Graham
Breer, Jack
Bridgen, Andrew
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Sir Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert

Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

**Tellers for the Noes:**
Mark Spencer and Craig Whittaker

*Question accordingly negatived.*

*Question put forthwith (Standing Order No. 62(2)), That the Bill be now read the Third time.*

*The House divided: Ayes 324, Noes 295.*
Tellers for the Ayes: Mark Spencer and Craig Whittaker

NOES

Byrne, rh Liam

Cable, rh Sir Vince

Cadbury, Ruth

Cameron, Dr Lisa

Campbell, rh Mr Alan

Carden, Dan

Carmichael, rh Mr Alistair

Champion, Sarah

Chapman, Douglas

Chapman, Jenny

Charylambous, Bambos

Cherry, Joanna

Chwyd, rh Ann

Coaker, Vernon

Coffey, Ann

Cooper, Julie

Cooper, Rosie

Cooper, rh Yvette

Corbyn, rh Jeremy

Cowan, Ronnie

Coyle, Neil

Crawley, Angela

Creagh, Mary

Creasy, Stella

Cruddas, Jon

Cryer, John

Cummins, Judith

Cunningham, Alex

Cunningham, rh Mr Jim

Dakin, Nic

Davey, rh Sir Edward

David, Wayne

Abbott, rh Ms Diane

Abrahams, Debbie

Alexander, Heidi

Ali, Rushanara

Allin-Khan, Dr Rosena

Amesbury, Mike

Antoniuzzi, Tonia

Ashworth, Jonathan

Austin, Ian

Bailey, rh Mr Adrian

Bardell, Hannah

Beckett, rh Margaret

Benn, rh Hilary

Betts, Mr Clive

Black, Mhairi

Blackford, rh Ian

Blackman, Kirsty

Blackman-Woods, Dr Roberta

Blomfield, Paul

Brabin, Tracy

Bradshaw, rh Mr Ben

Brake, rh Tom

Brennan, Kevin

Brock, Deidre

Brown, Alan

Brown, Lyn

Brown, rh Mr Nicholas

Bryant, Chris

Buck, Ms Karen

Burden, Richard

Burton, Richard

Butler, Dawn

Syms, Sir Robert

Thomas, Derek

Thomson, Ross

Throup, Maggie

Tohurst, Kelly

Tomlinson, Justin

Tomlinson, Michael

Tracey, Craig

Tredinnick, David

Trevelyan, Mrs Anne-Marie

Truss, rh Elizabeth

Tugendhat, Tom

Vaizey, rh Mr Edward

Vara, Mr Shailesh

Vickers, Martin

Villiers, rh Theresa

Walker, Mr Charles

Walker, Mr Robin

Wallace, rh Mr Ben

Warburton, David

Warman, Matt

Watling, Giles

Whately, Helen

Wheeler, Mrs Heather

Whittingdale, rh Mr John

Wiggin, Bill

Williamson, rh Gavin

Wilson, Sammy

Wollaston, Dr Sarah

Wood, Mike

Wragg, Mr William

Wright, rh Jeremy

Zahawi, Nadhim

Graham, Luke

Graham, Richard

Grant, Bill

Grant, Mrs Helen

Gray, James

Grayling, rh Chris

Green, Chris

Green, rh Damian

Greening, rh Justine

Grieve, rh Mr Dominic

Griffiths, Andrew

Gyimah, Mr Sam

Hair, Kirstene

Halcon, rh Robert

Hall, Luke

Hammond, rh Mr Philip

Hammond, Stephen

Hancock, rh Matt

Hands, rh Greg

Harper, rh Mr Mark

Harrington, Richard

Harris, Rebecca

Harrison, Trudy

Hart, Simon

Hayes, rh Mr John

Heald, rh Sir Oliver

Heappey, James

Heaton-Harris, Chris

Heaton-Jones, Peter

Henderson, Gordon

Herbert, rh Nick

Hinds, rh Damian

Hoare, Simon

Hoey, Kate

Hollingbery, George

Hollinrake, Kevin

Hollobone, Mr Philip

Holloway, Adam

Hopkins, Kelvin

Howell, John

Huddleston, Nigel

Hughes, Eddie

Hunt, rh Mr Jeremy

Hurd, Mr Nick

Jack, Mr Alister

James, Margot

Javid, rh Sajid

Jayawardena, Mr Ranil

Jenkins, Mr Bernard

Jenkyans, Andrea

Jenrick, Robert

Johnson, rh Boris

Johnson, Dr Caroline

Johnson, Gareth

Johnson, Joseph

Jones, Andrew

Jones, rh Mr David

Jones, Mr Marcus

Kawczynski, Daniel

Keegan, Gillian

Kennedy, Seema

Kerr, Stephen

Knight, rh Sir Greg

Knight, Julian

Kwarteng, Kwasi

Lamont, John

Lancaster, Mark

Latham, Mrs Pauline

Leadsom, rh Andrea

Lee, Dr Philip

Lefroy, Jeremy

Leigh, Sir Edward
Liz Saville Roberts (Dwyfor Meirionnydd) (PC): On a point of order, Mr Speaker. I seek your advice on how to inform the House of some breaking news coming out of the Welsh national Parliament. Assembly Members have unanimously supported the introduction of a Welsh continuity Bill to put a halt to the Westminster power grab. So great is the constitutional encroachment of the Westminster Government that this Bill to support Welsh democracy is supported by not only Plaid Cymru, but the Welsh Conservative party and the UK Independence party. This is of great constitutional significance, with implications for the passage of the European Union (Withdrawal) Bill, which has just received its Third Reading.

Mr Speaker: Whether it is a matter of great constitutional significance is not for me to say. It is, however, not a matter for the Chair. The hon. Lady inquires how she can achieve her objective, and the answer is that she has done so—it is on the record.
**Business without Debate**

**TRADE BILL (PROGRAMME) (NO. 2)**

Mr Speaker: We come now to the Trade Bill programme (No.2) motion, in which the Foreign Secretary is displaying an eccentric but insatiable interest.

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 9 January (Trade Bill: Programme) be varied as follows:

In paragraph (2) of the Order (conclusion of proceedings in Public Bill Committee) for “Tuesday 30 January” substitute “Thursday 1 February”.—(Amanda Milling.)

Question agreed to.

**PETITION**

**Proscription of Hezbollah**

7.31 pm

Dr Matthew Offord (Hendon) (Con): I present this petition on behalf of 896 residents of the Hendon constituency.

The petition states:

- The petition of residents of the Hendon constituency,
- Declares that demonstrations against the legitimate and democratic state of Israel where offensive and anti-Semitic language is used are not acceptable and that they, the petitioners, condemn such actions; further, that they, the petitioners, note that the police will not take any legal action against perpetrators under the current law; and further, that they, the petitioners, demonstrate their commitment to democracy, tolerance and freedom of speech by seeking the elimination of hatred.
- The petitioners therefore request that the House of Commons urges the Government to proscribe the political as well as military arm of the Hezbollah organisation under the Terrorism Act 2000.
- And the petitioners remain, etc.

[Po02099]

**Paradise Golf Resort, Morocco**

Motion made, and Question proposed, That this House do now adjourn.—(Craig Whittaker.)

7.33 pm

Tom Brake (Carshalton and Wallington) (LD): Tonight’s debate is going to be a double act, because the hon. Member for Birmingham, Selly Oak (Steve McCabe) is also going to make a short speech. I would like to thank constituents—I have no doubt that he will want to do the same—in my case, Dave Lansley and the core team of people affected by the Atlantic Paradise golf and beach resort scandal, for the support that they have given us by informing us about the issue.

Back in 2007, roughly 800 people across Europe invested in the project, which was to be a luxury development south of Tangiers in Morocco. They invested, in some cases, their life savings in what they thought was going to be a dream retirement home in Morocco. In return for their investment, they have received precisely nothing. Work on the development stopped completely in 2009.

The fundamental issue is whether the Moroccan Government were behind the project—I think the core group would argue that they very much were, because Ministers expressed support for it and the Government handed over land for the purposes of the development—or whether we accept the Moroccan Government’s position, which is that it was a private investment and nothing to do with the Government. We certainly do not accept that, especially as, for example, the Moroccan Government and officials were publicising the scheme at a trade fair for Moroccan property in Paris. We argue that the scheme was strongly supported by the Moroccan Government.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I congratulate the right hon. Gentleman on securing this Adjournment debate, which I fully support. My constituent Dr Shawarna Lasker is in exactly the same position as his constituents and I have written to the ambassador. I agree that the Moroccan Government have to stop hiding and pretending that they are working behind the scenes. Clearly, nothing is happening and individuals who invested for good reasons, and good reasons alone, are being let down.

Tom Brake: I thank the right hon. Gentleman very much for that intervention, which highlights the fact that there are issues on which he and I agree, albeit not many. There is agreement across the House that our Government should have a role in trying to resolve this issue, although I accept that that role is limited.

Let me give some details of the chronology. Deposits were paid by investors, on the basis of the project having Moroccan Government backing, to a developer who was selected by the Government. Unfortunately, the sales agents behind the scheme then disappeared; allegedly, they have been involved in a number of Spanish property scams under a company called Palmera Properties. Construction began in 2007 and was due to be completed in 2010, but as I mentioned, work stopped completely in 2009. At that point, the developer blamed a water company, Amendis, for the delays.
Jim Shannon (Strangford) (DUP): I thank the right hon. Gentleman for securing this debate. I and others present have constituents who have been defrauded. Do you agree that it is past time that this Government stepped up on behalf of the 800 investors who have been defrauded, and used all diplomatic pressure available to achieve a fair solution for those 800 people?

Tom Brake: I could not agree more. I gave advance notice of my remarks, so I hope that the Minister will tell us this evening what our Government are able to do to assist the British investors who have been affected by the scandal.

The developer claimed that Amendis had not supplied the water connection, but subsequently it was shown that, in fact, the developer had not paid the invoices from that water company, so the services were not supplied. The scheme was financed by the Banque Centrale Populaire, which was part-owned by the Moroccan state, who provided some guarantees but then withdrew them without the investors’ consent. A critical point is that the Moroccan Government signed an investment agreement in 2015, which stated that the development “golf course is almost completed, and the residential component is finished”, but that is a complete fabrication. That is why I think there is a Government connection that requires the Moroccan Government to take responsibility.

In February 2016, the project was in a derelict state. At that point, the Moroccan Government handed over the land to the development company. Given that a requirement was placed on the Moroccan Government to track the progress of the project and make sure that certain milestones were hit, I wonder why they handed over money when it was clear that there had been no activity on the project for seven years. After the developer was arrested, a Government-owned construction company was appointed to complete the project. Certain reassurances were given by the Moroccan embassy here in London that additional money—130 million dirhams—would be provided to the developer, but that money was then withdrawn.

On 26 January 2017, the developer was found guilty in a penal case and sentenced to 20 months’ imprisonment but was released before completing the full sentence in May 2017. Then, on 10 October 2017, the Foreign and Commonwealth Office raised the issue in a meeting with the Moroccan Ministry of Tourism. I hope that the Minister can say whether there have been any developments since then in terms of such contact. The most recent development is that a meeting will take place with the judge involved in the case on 30 January. The core team has asked if someone from the FCO can attend, and again it looks as though the Minister might be able to clarify whether that will be the case. I and the hon. Member for Birmingham, Selly Oak so that he might make a contribution before the Minister responds.

I welcome the opportunity I have had to raise this matter, and I hope that it will be appropriate if I leave my remaining time to the hon. Member for Birmingham, Selly Oak so that he might make a contribution before the Minister responds.

7.42 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I am pleased to have an opportunity to make a contribution, and I am grateful to the right hon. Member for Carshalton and Wallington (Tom Brake) for securing tonight’s debate. We have been trying to obtain this debate for some time now.

This is a simple case of injustice affecting British citizens. We are talking about at least 200 people in the core group and perhaps a number of others spread across several constituencies, as we have heard. Indeed, I understand that you, Madam Deputy Speaker, take a keen interest in this matter yourself. Many of these people are retired, having given a lifetime of service to this country, and had hoped to secure part of their retirement funds by buying apartments that they could both enjoy in their retirement and perhaps realise a little extra income from through occasional lets. Many are retired doctors and nurses, and quite a number are former public sector workers. They have been battling on their own to secure these apartments or get their money back for about 11 years now. Some have died without seeing the situation resolved.

We are not talking about fantastically wealthy people. These people were attracted to the investment because of the security that it appeared to offer. As the right hon. Gentleman said, it was sold as part of the King of Morocco’s vision to attract tourism and investment. The land was Government land, the Moroccan Government selected the developer, and the various conventions that had to be signed in order for the development to proceed were signed by Government officials. Banque Centrale Populaire, which handled the financial transactions, was part Government-owned. Articles in the British press described this as a project backed by the Moroccan Government, and, as we heard, Moroccan officials even
cited the development at a 2008 meeting in Paris to discuss the short and medium-term priority environmental action programme. Given all that backing, it is hard to imagine a safer investment.

One of the victims is my constituent Dr Saleem, a retired GP who has devoted his life to helping others, both here and in the developing world. He has already been the victim of a fraud over Tangiers City Apartments, which now appears to have involved some of the same people associated with Sirocco Estates and the Urbamed development company. He invested in the Atlantic Paradise golf and beach resort because he believed that it had the backing of the Government and the King of Morocco. He thought that his money was safe. Dr Saleem is in poor health. He may not live to enjoy the property if it is ever completed, but naturally what concerns him now is how he will provide for his wife and family should anything happen to him. It simply is not good enough for the same people to be involved in scams and dubious property transactions, and for the Moroccan authorities to try to wash their hands of the situation.

I am realistic, and I know that it is not within the gift of the Minister to resolve this matter. However, there are things that the British Government could do that would be appreciated by the people concerned. They could apply all possible pressure to the Moroccan authorities, making it clear that they must accept their responsibilities in relation to our citizens. I think that if something like this happened in our country, it would be inconceivable for us to allow the Government to simply walk away. The Moroccan authorities still have time to intervene and instruct another developer to complete the project, or secure compensation for our constituents, but they must be made to feel the maximum pressure.

Following this debate, investors will want to hear from the Minister that they have the full support of the British Government. All conceivable efforts must be made to help the Moroccan authorities to understand that there is a clear expectation on our part that they should bring this matter to a satisfactory and speedy conclusion, and that while it remains outstanding, there can be little prospect of British backing for future investment in Morocco or support for its tourism industry.

As the right hon. Gentleman said, the core group representing the investors has secured a meeting on 30 January before Judge Mustapha Fezzazi at the Cour d’appel in Tangiers. Will the Minister ensure that one of our consulate representatives in Morocco accompanies the group to the meeting, and demonstrates that it has the full support of the British government?

7.49 pm

The Minister for the Middle East (Alistair Burt): I am grateful to the right hon. Member for Carshalton and Wallington (Tom Brake) and, indeed, to the hon. Member for Birmingham, Selly Oak (Steve McCabe) for speaking in the debate and to all the other Members who are present. It is clear that a number of Members have a significant interest in the issue, including those who have intervened—my right hon. Friend the Member for Chingford and Woodford Green (Mrs Green-Smith) and the hon. Member for Strangford (Jim Shannon)—and others who cannot be present. I am aware that others have an interest as well, not least you, Madam Deputy Speaker, who have made representations on this matter on behalf of your constituents in Epping Forest. I thank colleagues for their contributions and will try to respond to the points raised.

First, let me say that, having been involved in this area for some years, I have known of not dissimilar issues where Governments have taken no interest whatever in what has happened and play no part once a problem has arisen. This is not one of those cases, and I will go on to say what the Moroccan Government have sought to do in relation to this, whatever might be the exact legal position on their responsibility, which is not a matter for the UK Government. However, this is not one of those cases where a Government have shown no interest at all in the problems related to a development and the absolute pain suffered by constituents that Members have described. On Government support for that concern, I say, absolutely, these are people who expected to make a good investment, in most cases at an important stage in their life, and they have been left in a very difficult position.

Diplomatic relations between the UK and Morocco date back 800 years and we enjoy a warm bilateral relationship, with engagement at all levels, from regular working-level contact to constructive ministerial discussions in both Rabat and London. That is not immaterial; it enables us to raise matters on behalf of constituents, as we do. We share similar views on many regional issues and we enjoy good security and trade relations. We are committed to strengthening this close relationship.

For the past few years, we have been working particularly closely with Morocco to strengthen governance and human rights and to support security and counter-terrorism work. This financial year alone, we have funded projects worth over £4 million.

Our relationship is not just confined to our Governments. More than 600,000 British tourists visit Morocco every year, making Morocco one of the UK’s favourite tourist destinations, and no doubt time spent as a tourist can lead to thinking of making an investment in a friendly country. We appreciate Morocco’s co-operation with us on all matters, including security and first response to ensure the safety of those who visit as tourists and want a relationship with that country.

Morocco is also increasingly attractive as an investment destination. Our bilateral trade in goods and services is worth around £1.8 billion and we are ambitious for the future. Next month, we are hosting an event to promote opportunities in the aeronautics sector, and in April we will be hosting another on financial services. This builds on the links established some years ago by the London Stock Exchange Group with its counterparts in Casablanca. There are other events in the pipeline.

Morocco faces some significant socio-economic challenges, in particular disparities between different regions. After the upheaval that began across the region in 2010 and 2011, Morocco took steps to reform, introducing a new constitutional settlement.

Clearly, UK companies investing overseas has benefits for the UK economy, which is why the Department for International Trade provides support for UK companies looking to make such investments. We expect other countries to treat British businesses operating abroad as we treat their investors in the UK and to provide a stable regulatory framework, so that investors can invest...
with confidence. As has been said, this is to the benefit of those countries with whom we invest, to make sure there is certainty in the outcome to attract further investment.

We recognise that there are times when things go wrong, and the Department for International Trade works closely with the National Crime Agency as part of this Government’s anti-corruption efforts. All suspected cases of corruption should be reported to the NCA.

The Paradise Golf and Beach Resort and Atlantic Golf View development project appears to be one such investment opportunity that went badly. It was launched in 2006 and marketed as a luxurious five-star tourist resort. Promotional material showed luxury villas set in beautiful gardens with views over the Atlantic. It was originally due to be completed by 2009, but this did not materialise. It was subsequently promoted in 2010 as part of Morocco’s Vision 2020 tourism development plan. We believe that there were some 800 investors from around the world, and that about 300 were British nationals. We understand that £35 million was deposited, of which only £12 million is accounted for.

Last January, the scheme’s developer, Larbi Tadaouli, was jailed for fraud on the orders of the public prosecutor in Tangier. He was sentenced to 20 months in prison and ordered to reimburse investors, with interest. Further charges and hearings are pending. Unfortunately, many of the investors were British. Indeed, we understand that the scheme has attracted as many as 300 British investors since its launch in 2006. This is an extremely troubling situation for the individuals involved. They invested in good faith, attracted by promises of good returns, and now fear that they have lost money as a result of the failure of the scheme. I, and the United Kingdom Government, have every sympathy with their situation and appreciate their desire to resolve the matter as soon as possible. Unfortunately, however, we have to recognise that buying property is a risky business and that this kind of thing can happen anywhere—including here in the UK. I must make it clear that property fraud of this kind is not uncommon in Morocco and in the region generally, as our website makes clear.

The British Government do not offer advice to people seeking to buy property overseas. However, the Foreign and Commonwealth Office website does provide guidance of a practical nature on what to consider when purchasing property overseas. Our general guide offers people top tips on what to consider before they buy: getting things in writing, checking that the seller owns the title deeds, seeking independent legal advice and that sort of thing. It also warns of the particular risks of buying property off-plan and what people might do if things go wrong. In addition to this general guide, we also provide guidance relating to buying property in specific countries, including Morocco. The Morocco guidance sets out quite clearly that there are considerable risks of fraud. It states that “the list of pitfalls is large, and is almost impossible to number”.

before going on to describe the most common areas where fraud occurs. Our guidance goes on to say that neither the British Government nor our embassies and high commissions overseas have any jurisdiction or authority to become involved in private legal matters.

This includes those connected to property and financial disputes. However, that does not mean we have washed our hands of this issue.

We are unable to intervene in individual cases, as colleagues will know, but we have regularly raised this dispute with the Moroccan authorities to try to achieve a satisfactory resolution for British investors. The Moroccan Ministry of Tourism has taken charge of the issue, and as the right hon. Gentleman mentioned, I discussed the dispute with the Minister of Tourism and Aviation Security, His Excellency Mr Mohamed Sajid, when he visited London last October. Mr Sajid noted that this was a private commercial and legal matter but indicated that he wanted a rapid resolution to the dispute, both to revive the scheme and to ensure that investors were treated fairly. We welcome this intention, for the reassurance it brings not only to investors affected in this case but to others investing in Morocco more broadly.

For completeness and to reassure the right hon. Gentleman and others who have attended the debate that we have taken the matter seriously, I can tell them that our deputy head of mission discussed it with the Secretary General of the Wali of Tangiers in March last year; that our former ambassador discussed it with the Moroccan Foreign Minister in April; that our chargé d’affaires discussed it with the Minister of Tourism and Aviation Security in July; and that our current ambassador discussed it with the Wali of Tangiers in August and September and with the Minister of Tourism and the Secretary of State for Tourism in October and November respectively. Most recently, our ambassador spoke to the Secretary of State in the Moroccan Ministry of Tourism on 15 January this year.

Tom Brake: The Minister mentioned that this was a private dispute. Can he clarify whether that is the view of our Government, or do they consider that this is more than a private development, in the light of the prominence given to the Moroccan Government’s support for the project?

Alistair Burt: The right hon. Gentleman is tempting me to give an opinion from the British Government on a property matter that is the subject of recourse to the law in the country that has appropriate jurisdiction. I do not think that I can do that. It is the view of the Moroccan Government that this is a private and commercial matter. As I said earlier, in some circumstances states just walk away and say, “This is a private matter. It has nothing to do with us.” However, the degree of relationship that there has been indicates that that has not been the case here.

I am unable to offer an opinion on what the right hon. Gentleman has said, and it would not be appropriate for me to do so, but that the Moroccan Government feel a sense of responsibility to investors in the broadest sense—I am not making a legal determination—is clear from the actions that have followed, so I will say a little more.

The Moroccan authorities have made it clear to us that they are working to achieve a resolution and that they want to ensure the investors are treated fairly. The Moroccan Secretary of State for Tourism told us that the authorities have found a bank to finance the completion of the scheme and that the Moroccan Prime Minister is taking a close interest in the case. The most recent information we have is that the Government are keen to
revive and complete the scheme and ensure that investors are treated fairly. To that end, they are looking at how to move the land to another developer to complete the resort and to ensure the completion of the project. I suspect there is much more to do, but it indicates an intention of involvement that, in my experience, is unusual in such circumstances.

As the right hon. Gentleman indicated, a further court hearing is coming up on 30 January. The United Kingdom will be represented by the embassy, so we will maintain our interest and continue to pursue matters. I do not know what will come of this relationship, but the sense we get from the Moroccan authorities is that they recognise the public nature of this and that they recognise the reputational issues at stake. They have clearly indicated that, above and beyond a legal relationship that is obviously a matter of dispute, they intend to try to find something because they recognise the hurt that has been caused. We want to see this pursued, and we will continue to make our interests known.

In general, we continue to advise Britons involved in private property disputes overseas to seek independent legal advice on local laws and rights and on methods of redress. We provide a list of English-speaking lawyers in Morocco on our website, but in common with practice all over the world, we do not get involved in legal issues. However, I hope that what I have said today will reassure the right hon. Gentleman and others who have taken part in this debate and those who will read and listen to it that we are doing what is within our power to help, within the limits of a private legal dispute.

We would like to see British investment in Morocco continue to grow, and we want a strong relationship. We see Morocco as one of the anchors in northern Africa, and we want its economy to be in a good position to provide employment for all the youngsters coming through and to provide everything the area is looking for—all that a thriving economy can deliver. British investment can make a contribution, and therefore ensuring that investors have confidence in the business environment is vital and is something that we share with the Moroccan Government.

With that in mind, and in the interests of the British nationals who invested in the scheme in good faith, we will continue to urge the Moroccan Government to find a resolution to this dispute as quickly as possible. We will maintain our interest on behalf of the House.

8.3 pm

House adjourned without Question put (Standing Order No. 9(7)).
House of Commons  
**Thursday 18 January 2018**

The House met at half-past Nine o’clock

**PRAYERS**

[Mr Speaker in the Chair]

**Oral Answers to Questions**

**TRANSPORT**

The Secretary of State was asked—

Community Transport: Licensing

1. **Neil Gray** (Airdrie and Shotts) (SNP): What progress he has made on his proposals to change the licensing of community transport.

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): In the first Transport questions since the beginning of the year, the Year of Engineering. I would like to put on record my thanks to my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) and my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) for all the work that they have done.

The Government want to protect as many community transport services as possible. We will soon be consulting on the issuance and use of permits, and have been working to interpret the scope of the exemptions to the regulations as widely as the law will allow.

**Neil Gray:** I thank the Minister for his answer. He will be aware that the proposal is estimated to cost the industry £37 million and each driver £1,500. It rather seems like the Government have taken a sledgehammer to crack a nut. What does the Minister say to Shotts’ Getting Better Together in my constituency, which provides essential community transport services, yet has no interest in being a commercial entity and could be lost to the community under these plans?

**Jesse Norman:** I do not recognise the description that the hon. Gentleman gives. I have been up and down the country talking to community transport schemes. It is not at all clear that the implication for local community transport operators will be anything like as severe as has been suggested, and the one case that has been tested has been referred back for further evidence gathering.

2. **Neil Parish** (Tiverton and Honiton) (Con): What progress he has made on rail improvements in Devon and the south-west.

The Minister of State, Department for Transport (Joseph Johnson): We are investing more than £400 million in the rail network in the south-west. This includes a fleet of brand-new trains for services to Devon and Cornwall, which will enter service later this year, transforming journeys for passengers. We are continuing to work with Network Rail and the Peninsula Rail Task Force to explore the potential for longer-term improvements in the south-west.
Neil Parish: I welcome the Minister to his new job. The Waterloo to Exeter line serves Axminster and Honiton and the southern part of my constituency. It is a great rail line and it needs a second loop in order to get more trains into Exeter and then back up to London. Could the Minister give me details of what is happening with that?

Joseph Johnson: The Devon Metro proposals for enhanced rail services in the Exeter area include aspirations for additional local services between Axminster and Exeter. This is being progressed as a local scheme by Devon County Council, and we will continue to provide assistance as it develops its proposals.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I welcome the Minister to his new position. The new Minister will be aware that the Government missed the Christmas deadline for funding the three-minute speed reduction between Plymouth and Exeter. At just £600,000, why did the Government knock back the south-west?

Joseph Johnson: I can assure that hon. Gentleman that that is not the case. We are continuing to look closely at the issue, and we are working on it in the Department and with Network Rail.

Kevin Foster (Torbay) (Con): I welcome my hon. Friend to his new job. Friend to his post. As he will know, one of the key improvements that could be made for my constituents would be the provision of a new station at Edginswell. Does he share the enthusiasm of his predecessor, my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard)—whom I see further down the Front Bench, in his new post as a Whip—for that project, and does he agree that it would be a perfect beneficiary of the new stations fund?

Joseph Johnson: I do share the enthusiasm of my hon. Friend the Member for Blackpool North and Cleveleys. We are currently investing more than £40 billion in our network, including more than £15 billion on rail enhancements, as part of the biggest rail modernisation programme for over a century, and we are always on the lookout for good proposals to support.

Thangam Debbonaire (Bristol West) (Lab): I, too, welcome the Minister to his post. When will the electrification programme for the railways in the south-west—including the chunk to Bristol—be “un-paused”?

Joseph Johnson: We are thinking about how we can deliver the best outcomes for passengers, because that is what is important to us. We are delivering the same benefits more efficiently, and at a lower cost to taxpayers. We are delivering faster journey times and better trains, and I think that Members on both sides of the House will welcome the new fleet of 29 Hitachi trains which will serve that part of the country.

Accessible Stations

3. Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): What steps are being taken to increase the number of stations that are accessible to disabled people.

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): The Government are committed to improving station access for disabled people, including those with hidden disabilities. Further funding for the Access for All programme will be made available in the next rail control period, and we are introducing new accessibility commitments as part of franchises. In addition, whenever the industry carries out infrastructure work at stations, it must meet current accessibility standards. I must say “thank you” to my hon. Friend for Blackpool North and Cleveleys (Paul Maynard), who did a huge amount of work on accessibility across all transport modes.

Dr Cameron: As chair of the all-party parliamentary group on disability, I have been hearing accounts from people throughout the United Kingdom about a lack of access to both underground and railway stations, which contributes to isolation and social exclusion and also impedes their ability to get back to work—and getting people back to work is one of the Government’s key tasks. Would the Minister kindly agree to discuss with the all-party group the progress that can be made if we work together on the issue?

Ms Ghani: I am aware of the hon. Lady’s work on the APPG. As she will know, I was chair of the all-party parliamentary group on eye health and visual impairment, and we did a lot of work together.

I believe that 75% of platforms are accessible by steps, but we need to do much more work. All train operating companies and Network Rail are required to have a disabled people’s protection policy as a condition of their licences.

The hon. Lady also contributed to the draft accessibility action plan. There were a number of recommendations, and I look forward to meeting her and ensuring that they are followed through.

21. [903385] Dr Philippa Whitford (Central Ayrshire) (SNP): Having previously chaired the sight loss group, the Minister may be aware of concern expressed by Guide Dogs and the Royal National Institute of Blind People. Equality disability training has been standard for bus drivers throughout Europe since 2013, but the UK’s opt-out will run out on 1 March. I asked about that during Women and Equalities questions last week, and the fact that the Minister knew nothing about it did not sound terribly good in the context of interdepartmental working. Will the UK meet its deadline, or will this be another loss from Brexit?

Ms Ghani: At present, bus drivers must undertake licensing training to ensure that they are able to deal with people with not just visible disabilities but invisible disabilities such as sight loss. They cannot obtain their competency certificates without that training. I will ensure that the issue is followed up at local authority level, and if there is a gap, I shall be more than happy to meet the hon. Lady to ensure that it is dealt with.

Clive Efford (Eltham) (Lab): I recently undertook a journey on our Bexleyheath line service with a disabled person who was using a wheelchair, to demonstrate how inconvenient it will be when the Victoria line link is removed with the new franchise. She would then have to
change at Lewisham, and she says that she would not undertake that journey. Is it right that we are designing disabled people out of our rail service? Will the Minister implore her colleagues to change their minds?

Ms Ghani: The hon. Gentleman is absolutely right to raise this. It is not acceptable, but I believe that it is going to be addressed later on down the line at Charing Cross. I refer, too, to my earlier response: all train operating companies have to comply with the disabled people’s protection policy, and if they are unable to, they have to provide alternative transport for the passenger, such as an accessible taxi to the next station. If the hon. Gentleman has a particular case, I will be more than happy to follow it up.

Rail Passenger Compensation

4. Vicky Ford (Chelmsford) (Con): Whether he has plans to review the compensation arrangements available to rail passengers. [903366]

The Minister of State, Department for Transport (Joseph Johnson): My hon. Friend will be pleased to hear that, principally because of greater awareness and greater ease in accessing compensation, passengers in the Greater Anglia region have received twice as much compensation in 2016-17 as they did in 2015-16.

Vicky Ford: I apologise for arriving late—due to a train delay this morning. We in the east of England are looking forward to our sparkling new trains arriving next year, but in the meantime we often face delays, and when people face delays they should be compensated. Will the Minister look at issues such as when trains are overcrowded so that they cannot even get on them are falling on deaf ears. Will the Secretary of State tell me now what the latest Government position is on the electrification of the trans-Pennine line?

Joseph Johnson: I share my hon. Friend’s concerns and sympathise greatly with the experience of his constituents and other constituents in that area. The Southeastern service is one of the most congested in the country, and it has been vulnerable to the impact of infrastructure failures. We are working closely to ensure closer working between the operator and Network Rail to secure a reduction of such problems in the future.

Jim Shannon (Strangford) (DUP): Compensation arrangements have to work, so will the Minister outline whether he believes that the compensation system can be streamlined and, importantly, be accessible?

Joseph Johnson: Passengers are accessing compensation schemes far more easily than ever before. That is reflected in the greater take-up of compensation payments, which is growing at a far faster rate than any delays in services. We continue to work with operators to ensure that this becomes easier for passengers to access and we will be looking carefully at that in the next franchise renewals process.

Private Sector Rail Investment

5. Stephen Hammond (Wimbledon) (Con): What recent assessment he has made of the role of private sector investment in the rail industry. [903367]

The Secretary of State for Transport (Chris Grayling): The private sector has generated almost £6 billion of private investment over the past decade, providing new trains, upgrading stations and transforming the passenger experience.

Stephen Hammond: I thank my right hon. Friend for that answer. The irony will not be lost on him that public sector satisfaction in the railways is declining as Government influence is at its highest since rail privatisation. What discussions has his Department had with Network Rail to change procurement and design practices so that the private sector can have more influence in funding and financing future projects?

Chris Grayling: I want to see both. We have just announced the biggest investment programme in our railways—over the period 2019 to 2024—since the steam age, including £20 billion of renewals. That is crucial; one of the reasons why we talk at Question Time about train delays is that the infrastructure in many places desperately needs renewal, which is why we are spending £20 billion on that. It is also important that we bring in additional private finance alongside that public investment, and I have been discussing extensively with Network Rail how we can make that happen.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The private sector can only bring in investment if it knows what the Government’s plans for infrastructure are going to be. Will the Secretary of State tell me now what the latest Government position is on the electrification of the trans-Pennine line?
Chris Grayling: I have just received the proposals from Network Rail, and we are now reviewing them. My aim is to start this £3 billion upgrade within a matter of months. The project is due to really get under way next year. We are looking at all the different options but, as I have said, electrification will be part of the programme.

Sir Patrick McLoughlin (Derbyshire Dales) (Con): Up until 1992, when the only investment in the railways came from the public sector, rail usage was declining. Since privatisation, we have seen a massive increase in the amount of people using the railways. Does my right hon. Friend agree that that is because of the changes that the private sector brought in?

Chris Grayling: I absolutely agree with my right hon. Friend. I do not understand the policy adopted by the Labour party. We are now seeing the construction of thousands of new carriages funded by the private sector, and we are getting rid of some of the legacy trains from the days of British Rail that were not up to scratch in those days and are certainly not up to scratch now. That is because private money is coming in alongside our investment programme.

Tony Lloyd (Rochdale) (Lab): The real question for the Secretary of State is: does he have the political will to ensure that the money is available to invest in the northern rail system in this generation? Not jam tomorrow. Trains today.

Chris Grayling: The answer to that is clearly yes, because every single train in the north of England is being replaced or refurbished as new. All the old Pacers trains are going, and we are about to start the trans-Pennine upgrade, which will account for one third of the total funding available for enhancement on the railway between 2019 and 2024. That is a large investment programme that will make a difference to the north, and it is a sign of our commitment to the north.

Dame Cheryl Gillan (Chesham and Amersham) (Con): Following the sad demise of Carillion, will the Secretary of State confirm that he is carrying out a full review of the HS2 project, including the business case, to ensure that the remaining private sector companies have the capacity to deliver the project without serious overruns and extra cost to the taxpayer?

Chris Grayling: My right hon. Friend will be relieved to know that the demise of Carillion, a tragic event for this country and for corporate Britain, will none the less not affect the HS2 project. The existing contract is part of a three-company consortium, and the other two companies, Kier and Eiffage, are taking over responsibility for the project. The apprenticeships are being transferred, the staff are being transferred and the project will continue uninterrupted.

Andy McDonald (Middlesbrough) (Lab): On 17 July last year, the day on which Carillion was confirmed in the HS2 contract, I asked the Secretary of State about the financial instability of the company. He declared himself to be confident that the expected results would be delivered. Given the unfolding events of the last few days, has he now reflected and does he now accept that he got it spectacularly wrong and that his judgment and confidence were disastrously misplaced?

Chris Grayling: I do not accept that at all. The hon. Gentleman referred specifically to the HS2 contract. At the time, I reviewed those carrying out the contracting very carefully, and I have carried out due diligence since. As I said a moment ago, the HS2 project will not be affected by this, even to the point, I am pleased to say, that the apprentices working with Carillion on the project are being transferred to one of the other two partners. The work will continue uninterrupted. There is no delay and there are no cost implications.

Andy McDonald: On Monday, The Times newspaper said:

“The transport secretary’s decision to award lucrative contracts to an ailing Carillion is only the latest worrying misjudgment to come to light.”

It highlighted his trip to Qatar on the day of the biggest rail fare hike in five years, the notorious £2 billion east coast bail-out and his dysfunctional dealings with trade unions in the private sector, saying that the Prime Minister “needs to consider whether it is time that this transport secretary left the station.”

Has not The Times got it absolutely right?

Chris Grayling: The only station that I am going to be leaving is Euston station for a visit to the midlands this morning. There has been no £2 billion bail-out of Virgin Trains East Coast. The contracting with Carillion was actually not with Carillion, but with a consortium of companies that are equally responsible for delivering the contract and will do so. I am happy to stand here to defend the record of a Government that have done more for our transport system than has happened in decades. That is in sharp contrast with what the Labour party did over 13 years in government, which was very little indeed.

Transport Funding: South-west

6. Rebecca Pow (Taunton Deane) (Con): What recent assessment has he made of the adequacy of funding for transport in the south-west.

The Secretary of State for Transport (Chris Grayling): Figures for transport spend in the south-west show a significant increase—part of a pattern. Mr Speaker—totalling £1.7 billion in 2016-17 alone. That spend is helping to deliver a package of investment worth over £2 billion on the strategic road network in the south-west, as well as investing more than £400 million in the rail network.

Rebecca Pow: I very much welcome the commitment to funding for the notorious A358 in my constituency, and I am pleased that the Secretary of State and Highways England listened to local concerns and my calls for a new consultation, which opened just this week with three proposals. However, I would like an assurance that the upgrade will deliver not only strategically, but for local people and for productivity in Taunton.
Chris Grayling: This is an important matter. The A303 and the A358 are a crucial part of our investment programme in the west country, and they will open up a new corridor for people travelling down to the south-west, but they do have to work for my hon. Friend's constituents and others in the region, particularly for the new employment area next to the motorway in her constituency. I assure her that I will continue to work with her to ensure that the projects delivers both for the region and nationally.

Dr David Drew (Stroud) (Lab/Co-op): There is some evidence that trains from Paddington to Bristol and onwards are much better, less crowded and more reliable. However, people face delays and overcrowded and unreliable trains when getting from the south-west to the midlands. Will the Secretary of State put some funding into those lines?

Chris Grayling: I am aware of the particular congestion problems on the CrossCountry franchise. We will be re-letting the franchise shortly, and I want to see longer trains with more capacity for passengers. All of us who travel on CrossCountry trains from time to time know that they are too short for the loads they carry, and we need to find a way of sorting that out.

Alex Chalk (Cheltenham) (Con): I echo the concerns about CrossCountry trains. Even outside of peak services, cramped trains are increasingly the norm for my constituents, who are jam-packed into vestibules, and that comes on top of delays and cancellations. Does my right hon. Friend agree that CrossCountry needs to raise its game?

Chris Grayling: I do agree. This is a question, as it is across the country, of ensuring that we have longer trains for the future. That is central to our strategy and is what the private sector is delivering for our railways, and it needs to happen on CrossCountry trains as well.

Jo Stevens (Cardiff Central) (Lab): On funding, Cardiff Central station—the busiest in Wales—is in urgent need of redevelopment to accommodate expected passenger growth of 22 million in the next five years. This week, our Labour council and the Welsh Labour Government announced their funding contributions and the private sector funding, but the project can go ahead only if there is UK Government funding, too. When will the funding be confirmed?

Chris Grayling: The important thing about Cardiff Central station is that there is huge development taking place around the station. I have met the developers and local politicians, and I want to see there what I want in other parts of the rail network, which is a real integration of station development with commercial development. That should be an absolutely integral part of what is happening all around the station, not just in the station project in its own right, and that is what I want to happen.

Road Links: Kent and the South-east

7. Rehman Chishti (Gillingham and Rainham) (Con): What progress has been made on improving road links to (a) Medway, (b) Kent and (c) the south-east. [903369]

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): Highways England is making good progress with upgrades on the A2-M2 corridor to improve links to Medway and Kent, and the preferred routes for the A2 Bean and Ebbsfleet junction upgrades were announced in 2017.

Rehman Chishti: I thank the Minister for that answer. Given the impressive growth and regeneration that Medway has seen over the past 20 years and will continue to see, I thank the Government for the £6 billion lower Thames crossing. Will the Minister confirm that the supporting local highways infrastructure programme will go along with the project so that areas such as Medway can fully benefit?

Jesse Norman: As my hon. Friend will be aware, the lower Thames crossing is a transformational strategic road project with enormous benefits to Medway and to the region as a whole. We announced the preferred route last year, and we are now developing it further. On the local transport side, it is worth noting that the South East local enterprise partnership has secured nearly £600 million of funding from local growth funds, supporting around 30 transport schemes in Kent and Medway, in order to support the area’s continued economic growth.

18. [903381] Layla Moran (Oxford West and Abingdon) (LD): As the Minister will be aware, one of the big investments announced for the south-east is the Oxford to Cambridge expressway, which will potentially go through Botley in my constituency. The people in my constituency are very worried. May I invite the Minister to come to Botley to meet residents and to allay their concerns about the possible bulldozing of hundreds of houses?

Jesse Norman: I would be delighted to come with the hon. Lady to meet the residents of Botley and to discuss these concerns.

Helen Whately (Faversham and Mid Kent) (Con): Last week there was a horrific crash in my constituency in which a car ran into a parked lorry. Three men have died and one is seriously injured. I am not attributing blame, as we do not know exactly what happened, but the Minister will know that lorry parking is a long-running problem in my area of Kent. Will he meet me and representatives of Kent County Council, drivers and lorry parks to see what we can do to speed up the provision of increased lorry parking?

Jesse Norman: I am very sorry to hear the news of the crash last week. I would be delighted, as always, to meet my hon. Friend and Kent County Council. She should know this is a topic of great interest to me and the Department. Indeed, I met freight operators only this week in part to discuss these very issues.

Passenger Rail Usage

8. Sarah Jones (Croydon Central) (Lab): What recent assessment he has made of trends in the level of passenger rail usage. [903371]

22. Dan Carden (Liverpool, Walton) (Lab): What recent assessment he has made of trends in the level of passenger rail usage. [903386]
The Minister of State, Department for Transport (Joseph Johnson): Rail passenger journeys have more than doubled in the past 20 years, and journey numbers are at their highest level since the 1920s.

Sarah Jones: Journeys on the Thameslink, Southern and Great Northern franchise fell for the first time last year as commuters shunned its shoddy services. The management contract given by DFT means the state has to shoulder a £90 million loss as a result, and Office of Rail and Road figures show that passenger numbers are starting to fall across the country. Is the franchise model sustainable if that continues?

Joseph Johnson: Passengers are switching away from using traditional season tickets to using pay-as-you-go travel. They are choosing more flexible ticket options to suit their lifestyle. Changing travel behaviour may mean that historical assumptions about the number of journeys taken per season ticket are no longer appropriate. Although the number of passenger journeys is reported to have decreased recently, it does not necessarily mean that fewer people are using the railway network.

Dan Carden: Violent attacks on trains have risen by 12.5% in the past year, and sexual offences on trains have doubled in the past five years. A Passenger Focus report in 2014 said that the most important factor identified by passengers is personal security on trains. Wales has guaranteed a guard on every train, and ScotRail has done likewise. When will this Secretary of State take responsibility for passenger safety on trains?

Joseph Johnson: The introduction of new trains across almost the entire network, many of which will have CCTV, will play a significant part in ensuring that passengers can continue to travel safely.

Tom Pursglove (Corby) (Con): There is a direct link between competition on the line, usage and lower fares. We welcome the fact that electrification is coming to Corby and I am grateful to Ministers for making that happen. Will they now look at options for extending Thameslink to Corby?

Joseph Johnson: I would be happy to discuss that proposal with my hon. Friend. Friend. Electrification can play a part in improving passenger experience and reducing journey times, and it is one of the things the Department continues to look at closely.

Philip Davies (Shipley) (Con): One of the things deterring people from using the railways in the wintry weather we have had over the past few days is the failure of Northern Rail to properly grit some of the stations on its route, particularly Crossflatts in my constituency, making it hazardous for any passenger who wants to use those stations. Is there anything the Minister can do to intervene to make sure Northern Rail properly grits all its stations on the route so that people can use the railways safely?

Joseph Johnson: I thank my hon. Friend for his suggestion. We continue to work closely with Network Rail to ensure the impact of severe weather on the system is minimised. Across road, rail and aviation, we want our transport system moving whatever the weather.

Mr Speaker: I always thought the hon. Member for Shipley (Philip Davies) had a substantial supply of grit all his own.

19. [903382] Paula Sherriff (Dewsbury) (Lab): My constituents can barely get a seat on the train, yet this month they have had the shoulder the biggest fare increases in the country. Although Whitehall and rail bosses crow about improvements to stations such as London Bridge, can the Minister tell me how such projects will benefit passengers in northern towns like mine?

Joseph Johnson: It is northern towns like the hon. Lady’s that are going to be some of the principal beneficiaries of the replaced train fleet across the country. Passengers in her constituency will have improved, more reliable, safer and more punctual services.

Transport Infrastructure: the North

9. Mr Alister Jack (Dumfries and Galloway) (Con): What steps the Government are taking to support investment in transport infrastructure in the north.

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): As my hon. Friend will know, the Government are very committed to the northern powerhouse, and to giving the great towns and cities of the north of England more say over transport investment through Transport for the North. This Government are spending more than £13 billion to transform transport across the region—the biggest investment of its kind in the region for a generation.

Mr Jack: The commencement of regional flights from Carlisle, which we hope will happen later this year, will be welcomed by my constituents. Will the Department look at ways to add additional services and to make it faster to reach central London from Southend?

Jesse Norman: I share my hon. Friend’s pleasure at the potential expansion of air services there, as elsewhere in the country. He should be aware that Greater Anglia provides train services from Southend Airport to London, and the entire franchise fleet is to be renewed, with more than 1,000 state-of-the-art vehicles and with the existing fleet retired by the end of 2020. That, combined with significant timetable changes, should mean that Greater Anglia is able to offer quicker, safer journeys, with reduced journey times, across the whole franchise—we are talking about something like 10%.

Mr Clive Betts (Sheffield South East) (Lab): Is it not the case that if the Government had not given the £2 billion bail-out to the operators of the east coast line, they would have had sufficient money to fund every electrification scheme that has been cancelled, including the midland main line, and have funds left over?

Jesse Norman: As the hon. Gentleman will be aware, there has been no bail-out. [Laughter.] I notice that Opposition Members are happy to quote from The Times, and may I remind them that the Secretary of State responded to the scurrilous editorial piece with a letter of his own setting out the position? There has been no bail-out of any kind.
Alan Brown (Kilmarnock and Loudoun) (SNP): I welcome the Minister to his post. On his opening remarks, may I remind him that there is a north beyond the northern powerhouse—of course, I entirely agree with him on that. That is why the Government are involved with the borderlands growth deal, the precise point of which is to work with local authorities on both sides of the border. He will be aware that the high-level proposition to the UK and Scottish Governments on that was submitted last year. We will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

Jesse Norman: On the principles I was trying to lay out, Scotland has 17% of the UK rail network but was allocated only 10.4% of the UK spend. The Government regulator, the Office of Rail and Road, has stated that £1.9 billion is needed for essential repairs and £2.3 billion is needed to meet future demand. So why was the funding formula cut and why were experts ignored, leaving Scotland with a £600 million shortfall?

Jesse Norman: As the hon. Gentleman mentioned, the Government are involved with the borderlands growth deal, the precise point of which is to work with local authorities on both sides of the border. He will be aware that the high-level proposition to the UK and Scottish Governments on that was submitted last year. We will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

Rachael Maskell (York Central) (Lab/Co-op): Well, investment does not seem to be working that well. The Carillion staff working on the Manchester-Bolton-Preston electrification project had their contract suspended this week. So can the Minister clarify this: should all these workers only expect the jobcentre phone number, as the Prime Minister said yesterday, or can he guarantee that these works, and all similar infrastructure undertakings, will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

Jesse Norman: As the hon. Gentleman’s commitment to the fact that the north goes beyond the northern powerhouse—of course, I entirely agree with him on that. That is why the Government are involved with the borderlands growth deal, the precise point of which is to work with local authorities on both sides of the border. He will be aware that the high-level proposition to the UK and Scottish Governments on that was submitted last year. We will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

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of mandating E10 fuel? If not, will his departmental lawyers work with fuel providers to overcome this legal hurdle?

Jesse Norman: I thank the hon. Gentleman for his comment. He will be aware that we have this matter closely under review, and we are continuing to discuss it with suppliers and forecourt operators. In some other EU countries, there has been no such mandate and there has nevertheless been significant take-up.

**Southern Rail: Passenger Compensation**

11. Tim Loughton (East Worthing and Shoreham) (Con): What steps he is taking to ensure the provision of adequate compensation for passengers on Southern Rail as a result of poor service in the past 12 months.

The Secretary of State for Transport (Chris Grayling): My hon. Friend knows full well that I absolutely understand the difficulties that his constituents have faced. I hope he will accept that performance has improved over the past year, since the height of industrial action. We have had compensation arrangements in place, including the special compensation for past disruption, which saw £13.6 million paid to 58,000 passengers. We have also taken steps forward on the ways to implement Delay Repay and will keep the situation under review.

Tim Loughton: On 2 December 2016, the Secretary of State said in a written statement: “Southern passengers have suffered from unprecedented and sustained disruption to their journeys during 2016”, and offered some very welcome compensation for season ticket holders. The problem is that Southern passengers suffered from unprecedented and sustained disruptions to their journeys during 2017 as well. In fact, the punctuality figures for the most recent quarter are even worse. When are my constituents going to be compensated this year?

Chris Grayling: As I said, additional compensation measures are in place now. The issues that network currently faces are all to do with the condition of the infrastructure. My hon. Friend will know that we have just announced two major closures to allow upgrade works to take place, and there is a substantial ongoing programme of investment in that route, which I hope will make a significant difference.

Mohammad Yasin (Bedford) (Lab): Bedford commuters will lose their fast peak train services in May. Many now do not know how they will balance work with their childcare arrangements. Does the Minister agree that Stagecoach should compensate these people and rail users who, by the Government’s admission, have borne the pain of the changes to the rail network timetable?

Chris Grayling: I cannot promise—I wish I could—no change and no disruption as a result of major investment programmes. The hon. Gentleman will know that the combination of the upgrade to the midland main line and the Thameslink programme must mean, for an interim period, changes to services. There will in fact be more seats from Bedford in peak hours. Of course, many of the east midlands trains arriving at Bedford are already full, so I absolutely regret the fact that we have to inconvenience passengers, but we cannot upgrade and improve the network without taking some difficult decisions.

**Bus Journeys: England**

12. Liz McInnes (Heywood and Middleton) (Lab): What estimate he has made of the number of journeys taken by bus in England in each of the last three years.

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): The estimated number of passenger journeys made on local bus services in England in each of the past three years is as follows: 2014-15, 4.63 billion; 2015-16, 4.51 billion; and 2016-17, 4.44 billion.

Liz McInnes: My constituents regularly contact me to complain about infrequent and unreliable bus services. Does the Minister think that there is a link between that, the decline in bus usage, and the 33% cut to the bus budget since 2010?

Jesse Norman: What is striking is that in many ways there is so much to be optimistic about with the bus industry. When I talk to operators, I see great investments in technology and ticketing, and tremendous potential for the industry in the context of the air quality changes that have been made by this Government.

Kerry McCarthy: In Bristol, more than 85% of routes are provided by First Bus, which makes a healthy profit every year, but under current rules it cannot use those profits to subsidise commercially unviable routes, which may be really important to local people. Why cannot bus companies’ contracts stipulate that they have to run those services using their profits from income-generating routes, instead of letting them pocket the profits while the local council has to foot the bill?

Jesse Norman: It is not historically the job of Government to be intervening in the precise allocation of a company’s profitability. I note that there has been a substantial increase in journeys in Bristol, from 32.7 million to 39.9 million over the past three years. If the hon. Lady has some specific proposals, I will be happy to look at them.

Lilian Greenwood: Mr Speaker, I hope you will not mind if I take this opportunity to record my gratitude to both the emergency services and railway staff for their outstanding response to the fire at Nottingham railway station last week; ensuring that everyone was safely evacuated. Damage was minimised and services were restored very quickly.

Around a quarter of all concessionary passholders’ bus journeys are for medical appointments, yet many struggle with inaccessible and irregular bus services, and seven years of cuts to supported services have only exacerbated those problems. Research from Age UK...
has found that 1.5 million people over 65 found it very
difficult, or difficult, to travel to hospital appointments,
and stressful, complicated or expensive public transport
journeys inevitably lead to missed or cancelled appointments.
How has the Minister discussed that pressing problem with
colleagues in the Department of Health and Social Care,
and what does he plan to do about it?

Jesse Norman: I thank the hon. Lady for her comments
and I absolutely associate myself with her support for
the emergency services in relation to the fire in Nottingham.
In many ways, the concessionary fare scheme has
been a colossal success, as the hon. Lady will be aware.
Something like 12 million people have concessionary
permits in this country and they make enormous numbers
of journeys every year, heavily supported by Government.

Matt Rodda (Reading East) (Lab): Government cuts
have led to the axing or downgrading of 400 bus routes,
and passenger numbers are now at a 10-year low. Will
the Minister reinstate those services, or, if he is unwilling
or unable to do so, will he give local councils the power
and resources that they need?

Jesse Norman: I welcome the hon. Gentleman to his
position on the Opposition Front Bench, and I thank
him for the question. Of course, these services are
deregulated and operate, in many cases, in collaboration
with local authorities, which receive substantial amounts
of funding from central Government. We expect them
to deploy that money as they see fit.

The Secretary of State for Transport (Chris Grayling):
I echo the comments of the hon. Member for Nottingham
South (Lilian Greenwood) about the emergency services’
response last week. I pay tribute to all those who carried
out works across the rail network over Christmas, giving
up their Christmas holiday period for the investment
programme.

I am proud to be from a party of opportunity. We are
a party of opportunity that provided this country with
its first woman Prime Minister. Today, we are the party
that provides the first Muslim woman Minister to speak
from the Government Dispatch Box—my hon. Friend
the Member for Wealden (Ms Ghani). I congratulate
her, and I am very proud to sit alongside her today.

Priti Patel: The Secretary of State will be aware that
Essex adds over £35 billion to the economy; but our
businesses that want to grow cannot grow, because of
poor transport infrastructure. Will my right hon. Friend
help those businesses by committing to back key projects
such as the rail loop north of Witham, investment in the
A12 and investment in the A120?

Chris Grayling: I absolutely understand the importance
that my right hon. Friend places on transport links in
Essex, which is why we are investing both in the county
and across the country. Highways England is progressing
the A12 improvements, which are now going through
the consultation and design stages. On the railways, a
number of improvements are required to the eastern
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her, and I am very proud to sit alongside her today.
Chris Grayling: There has been absolutely no change to any part of the terms of that franchise; as of today, there is absolutely no change. It is business as usual. I have set out in this House the challenges, but as of today, to be clear, nothing has changed—neither the service specification nor the contracts for franchise.

Mr Philip Hollobone (Kettering) (Con): Will the rail Minister be kind enough to agree to meet the Kettering rail users group to discuss how rail services might be improved to and from Kettering?

The Minister of State, Department for Transport (Joseph Johnson): Of course I would be delighted to meet representatives from the Kettering rail users group, and my hon. Friend.

T5. [903393] Ronnie Cowan (Inverclyde) (SNP): In my constituency we have the Greenock ocean terminal, from which goods are imported and exported around the world. What assurances can the Minister give me that Brexit will not adversely affect the transportation of goods by sea from my Inverclyde constituency?

Chris Grayling: I absolutely understand the importance for the future of our maritime sector—of shipping goods by sea. Indeed, I recently had the pleasure of visiting Montrose port to see the important work that it does for the east of Scotland. I can assure the hon. Gentleman that the maritime sector, while often not the highest-profile sector in these questions, is enormously important to this country.

Luke Graham (Ochil and South Perthshire) (Con): While many of us were enjoying our Christmas lunches, an army of Network Rail engineers were working hard making improvements and repairs across the country. Will the Secretary of State join me in congratulating them on their hard work and thanking them for it?

Chris Grayling: We often fail to appreciate the hidden army of people who support our transport system. Those who turned out over the Christmas period—with some extraordinary work was done—deserve all of our thanks. Whether it is the improvements in the north-west, the expansion of Liverpool Lime Street that has taken place over recent months or the extraordinary work at London Bridge, north and south we are seeing huge investment programmes that will make a difference to the passenger experience.

T6. [903394] Sandy Martin (Ipswich) (Lab): The Orwell bridge was closed again yesterday, forcing about 5,000 lorries from Felixstowe, the UK’s largest container port, to take two hours each getting through Ipswich. Will the Secretary of State urgently meet me and other local MPs to expedite a northern bypass for Ipswich?

Jesse Norman: I will be delighted to meet the hon. Gentleman and colleagues about that. As he will be aware, the DFT was awarded £77 million at spring Budget 2016 for the upper Orwell crossings. That scheme was one of the first large local majors to be funded. We will happily revisit any discussion he wishes to have on this topic.

Robert Halfon (Harlow) (Con): Does my hon. Friend recognise that many hospitals around the country do not have good public transport links? For that reason, will he write to the Health Secretary urging him to scrap hospital car parking charges?

Jesse Norman: As my right hon. Friend will know, the first debate I ever secured in the House of Commons was on car parking charges at Hereford Hospital—[Interruption.]

Mr Speaker: Will the Minister face the House, and then everybody can hear?

Jesse Norman: I apologise, Mr Speaker. My first ever debate in the House was on car parking charges at Hereford Hospital, so I absolutely understand and share my right hon. Friend’s concern. I am afraid that this has been the legacy of the Labour Government’s investment in private finance initiative projects in hospitals in the period up until 2010.

T7. [903395] Neil Gray (Airdrie and Shotts) (SNP): The head of US aviation has stated that the UK had a month to outline an aviation safety strategy or be faced with costly disruption to transatlantic trade. What progress has the Secretary of State made on US aviation strategy post Brexit?

Chris Grayling: Since my appointment, in recent months I have had regular meetings with the US airlines and the US Federal Aviation Administration, and I have met and discussed these issues with my counterpart in the US Department of Transportation. We are making good progress with our successor arrangements for aviation after we have left the European Union.

Justine Greening (Putney) (Con): On what evidence are the Government now pushing ahead with what I believe to be a flawed plan for expanding Heathrow? The updated national policy statement shows that it is more expensive, lower value, more congesting, noisier, and provides fewer connections. Will the Secretary of State meet me to discuss this?

Chris Grayling: I know how strongly my right hon. Friend feels about this. She and I, of course, do not share the same conversations about it and I know that we will carry on discussing it with her.

T8. [903396] Stephen Lloyd (Eastbourne) (LD): I was very disappointed recently when a Department for Transport publication on national strategic roads did not even mention the dualling of the A27 between Lewes and Eastbourne. Will the Secretary of State confirm in the House today that that was an oversight and that we will be looking to dual that shocking road?
Chris Grayling: The hon. Gentleman will know that his predecessor secured from me a commitment to allow the local authority to use funding allocated for the improvements to the A27 to review what the best options are east of Lewes. I wait to see the response of that work.

Jack Brereton (Stoke-on-Trent South) (Con): With the initial consultation currently open on “Shaping the Future of England’s Strategic Roads”, will the Minister confirm that the Secretary of State will look closely at it, as we would with all such bids.

Jesse Norman: I can certainly confirm that if that scheme is given the enthusiastic support of the local transport authorities involved, then we will look closely at it, as we would with all such bids.

T9. [903397] Christine Jardine (Edinburgh West) (LD): Given the importance to jobs and the economy of international connectivity through airports, such as Edinburgh in my constituency, will the Secretary of State say what discussions he has had with the European Commission about participating in the Open Skies agreement after Brexit?

Chris Grayling: We have two jobs to do for aviation post-Brexit. One is to conclude negotiations within the European Union, which will be part of the ongoing process of negotiating our successor arrangements, and the other is to negotiate successor agreements around the world. We are working on both those things right now.

John Penrose (Wells) (Con): On the east coast main line, rather than taking us back to the bad old days of British Rail, as the Labour party’s renationalisation proposals would do, will the Secretary of State instead consider the Competition and Markets Authority’s recommendations for more on-track open access choice and competition, with the far better quality and cost of rail services that it says would result?

Chris Grayling: There is no doubt that open access makes a difference. I do not think for a moment that those who, for example, live in Sunderland, Middlesbrough or Bradford and have services from Grand Central would say anything other than that open access has been a good thing. That is the area in which the private sector has really made a difference, bringing services to the network that never existed in the days of nationalisation.

Jessica Morden (Newport East) (Lab): With the Severn bridges at long last coming into public ownership on 8 January, will the Minister meet me to discuss the future operation of the bridges, including abolishing the tolls following the long local campaign?

Ms Ghani: I am sure the hon. Lady, on behalf of her constituents, will welcome the news that this Government are reducing or abolishing the tolls on the bridges. This will make journeys much more efficient and open up the area to much more economic opportunity. I am more than happy to meet the hon. Lady to discuss anything further.

Jesse Norman: As the hon. Gentleman will be aware, the Bus Services Act 2017 has created those powers. We are in conversations—my officials are in conversations—with Mayors in Manchester and elsewhere in the country, and we remain very interested in having further conversations with other Mayors who wish to avail themselves of these powers.

Sir Patrick McLoughlin (Derbyshire Dales) (Con): On the Hope Valley line, the public inquiry was in May 2016 and it reported in November 2016, but so far the Department has been unable to say when we will get a decision.

Chris Grayling: I will seek to get things along. The Hope Valley line, as my right hon. Friend will know, is one part of the package of proposals—some new lines, some upgraded lines—that Transport for the North has brought forward for the northern powerhouse rail. I will seek to make sure that that process is concluded as quickly as possible.

Nic Dakin (Scunthorpe) (Lab): Will the Government work with businesses that supply renewable fuels to see what impact the renewable transport fuel obligation has on them, and will they continue to look to develop E10?

Jesse Norman: We have already consulted quite extensively, and we will continue to work with those businesses.

Maggie Throup (Erewash) (Con): May I welcome the new HS2 Minister to her place and take this opportunity to make an early plea, on behalf of the residents of Erewash who are directly affected by HS2, for an urgent review of the statutory compensation plans for residents and businesses and of the way in which HS2 Ltd is administering this process?

Ms Ghani: My hon. Friend has already raised that with me, and I am pleased that she has raised it with me again today. I am more than happy to meet her and take on board any concerns she has on behalf of her constituents.

Dame Cheryl Gillan (Chesham and Amersham) (Con): At a recent meeting with senior HS2 personnel, they promised to provide all MPs along the route of HS2 with advance notice of construction works in their constituencies. They have not done this. Will the Secretary of State ensure that they keep their promises?
Kevin Brennan (Cardiff West) (Lab): Has the Secretary of State had a chance to look at early-day motion 775 about taking musical instruments on to aeroplanes? In his coming discussions on aviation, will he take the opportunity to meet the Culture Secretary to talk about how we might solve this real problem for musicians?

Chris Grayling: An airline’s hand luggage policy is obviously a matter for the airline, but I am very happy to have a discussion with the hon. Gentleman about the issue. There may not be a simple solution, but I am always happy to talk to hon. Members about the challenges they face.

Bob Blackman (Harrow East) (Con): I congratulate my hon. Friend the Member for Wealden (Ms Ghani) on her appointment. Following her review of station accessibility, will she look carefully at the hundreds of applications from residents in my constituency for improvements at Stanmore and Canons Park stations which have not been provided by Transport for London, but will I hope be provided by the Government?

Ms Ghani: I thank my hon. Friend for welcoming me to the Dispatch Box, and of course I will meet him to discuss the matter further. I look forward to arranging that meeting.

Chris Elmore (Ogmore) (Lab): The Minister may be aware that the level crossing in Pencoed in my constituency will now not be improved because of the cancellation of electrification, and that is causing access issues and considerable safety concerns. I made this request to the previous Minister, so will the new Minister now meet me and a representative of Pencoed Town Council, to start the process of closing that level crossing and improving the highways around Pencoed?

Chris Grayling: Decisions on electrification do not and will not in any way impede safety improvements. We have announced a large amount of money over the next five years, and I am happy to see what we can do to move this issue on rapidly.

Mr Speaker: A very short question is required so, of course, I look in the direction of the right hon. Member for New Forest West (Sir Desmond Swayne).

Sir Desmond Swayne (New Forest West) (Con): Is there an end to M3 night closures?

Jesse Norman: As my right hon. Friend will know, these are night closures because of the protections being offered to daytime running. Upgrading of smart motorway junctions has already taken place—junctions 2 to 4 are complete, and work on junction 6 is due to complete soon. Other work on junctions 9 and 14 is planned, but it has not yet commenced.

Paul Blomfield (Sheffield Central) (Lab): The environmental impact assessment of the Government’s decision not to electrify the Midland main line north of Kettering has revealed that 25 times more savings in carbon emissions would have been achieved with that electrification. If the Government are serious about their new commitment to the environment, will they think again about that decision?

Mr Speaker: Similarly brief, the hon. Member for Walsall North (Eddie Hughes).

Eddie Hughes (Walsall North) (Con): I will speak quickly. As the Minister said in his opening remarks, 2018 is the year of engineering. Will the new Minister, my fellow Brummie, say what the Government are doing to increase diversity within the engineering profession?

Ms Ghani: I give the hon. Gentleman permission to breathe.

Ms Ghani: I feel obliged to respond to a fellow Brummie. I congratulate the engineering envoy, my hon. Friend the Member for South Basildon and East Thurrock (Stephen Metcalfe), who I believe is sitting in the Gallery. The Government have launched the Year of Engineering—I did that myself on Monday at Crossrail—and we are particularly keen to open up engineering as a career for young girls and boys, especially those from black and Asian ethnic minorities. I urge Members to become ambassadors for science, technology, engineering and maths in their constituencies if they have not already done so.

Chris Grayling: I expect to see a transformation of technology on our railways over the coming years, with the introduction of different types of battery electric hybrid trains and hydrogen trains, and I see that as a priority. I want the first hydrogen train to operate on our rail network within a short period of time.
Business of the House

10.37 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House please update the House on the forthcoming business?

The Leader of the House of Commons (Andrea Leadsom): The business for the week commencing 22 January will include:

Monday 22 January — Second Reading of the Financial Guidance and Claims Bill [Lords].

Tuesday 23 January — Remaining stages of the Nuclear Safeguards Bill, followed by consideration of Lords amendments to the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill, followed by a motion relating to the appointment of a board member to the Independent Parliamentary Standards Authority, followed by a motion relating to the appointment of an electoral commissioner.

Wednesday 24 January — Opposition day (8th allotted day). There will be a debate on an Opposition motion, subject to be announced.

Thursday 25 January — Debate on a motion on joint enterprise, followed by a general debate on the proscription of Hezbollah. The subjects for these debates were determined by the Backbench Business Committee.

Friday 26 January — The House will not be sitting.

The provisional business for the week commencing 29 January 2018 will include:

Monday 29 January — Remaining stages of the Armed Forces (Flexible Working) Bill [Lords], followed by remaining stages of the Automated and Electric Vehicles Bill.

Tuesday 30 January — Second Reading of the High Speed Rail (West Midlands - Crewe) Bill, followed by motions relating to that Bill.

Wednesday 31 January — Opposition day (unallotted half day), subject to be announced, followed by a debate on motions relating to the restoration and renewal of the Palace of Westminster.

Thursday 1 February — Business to be nominated by the Backbench Business Committee.

Friday 2 February — Private Members’ Bills.

Mr Speaker, I am tempted to burst into song at this point, because a little bird has told me it is your birthday tomorrow, but I will spare the House that embarrassment and instead wish you a very happy birthday. And what better way to celebrate than by listening to the debates on tomorrow’s valuable private Members’ Bills proposed by the hon. Member for Westminster North (Ms Buck) and my hon. Friend the Member for Totnes (Dr Wollaston)? The first will ensure that homes are fit for human habitation and the second will give much greater protection from stalking.

This week we achieved a significant milestone by completing all stages of the European Union (Withdrawal) Bill in this place. We wish it well for its Second Reading in the other House the week after next.

Valerie Vaz: I thank the Leader of the House for announcing the forthcoming business. I note, however, that the restoration and renewal debate will take place after an Opposition day debate, so that allows us half a day. That is quite surprising, given that the Government have tabled two motions, and it is almost like the motions were written for the previous debate. I can only think of a phrase that you, Mr Speaker, will be familiar with from tennis circles: the Government cannot be serious. It is as if the Joint Committee had never met. It took evidence and reported, but all the Government are doing through their motions is noting its report. Will they think again and retable the motions?

Last week, I asked for a list of ministerial responsibilities. I checked with the Vote Office today, and that has not been published, so will the Leader of the House please update the list?

The Prime Minister has made a speech on the environment, yet the Government vote against environmental protection and all the while trash Labour Wales. Let me put the record straight. She clearly has not read the briefing papers, because Labour Wales is either second or fourth in the world for recycling rates, depending on how they are calculated. Labour Wales introduced the 5p charge on plastic carrier bags in 2011; that happened in England in 2015.

Will the Leader of the House please explain why the Government are stifling growth in Wales? There has been no decision on the Swansea Bay tidal lagoon. The Government’s own independent report, written by a former Minister, backed the tidal lagoon’s “strong contribution” to the UK’s energy. One hundred businesses and Members from across the parties have called for a decision. When will the Government make a statement on their position, or are they putting politics before people?

Will the Government put people first—before politics—and support the request from my hon. Friend the Member for Swansea East (Carolyn Harris) for a fund to help families with children’s funeral costs? Will the Leader of the House confirm whether the Prime Minister actually said that the cost of burials is for the grieving? That might be right, but if the Prime Minister would meet my hon. Friend, she could explain that the fund would only be for those who cannot afford burial costs. Will the Government follow Labour Wales and do this in Martin Harris’s memory?

Will the Government respond to yesterday’s point of order made by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) and the motion passed in the Welsh Assembly yesterday about retaining Welsh law following our withdrawal from the EU?

It looks like we are back to the “casino economy”—my hon. Friend the Member for Bolsover (Mr Skinner) has left the Chamber, but that used to be his favourite phrase—which brings devastation to people’s lives. Short sellers made £137 million when Carillion’s share price fell by 70% over the course of three trading days following the July profit warning. Hedge funds were betting on the collapse of the shares of a company that provides vital public services. When will the Government make a statement on the urgent steps that they are taking following Carillion’s insolvency? Will they set up a taskforce to support the innocent people who were doing their job on one day, but out of that job the next through no fault of their own?

When will the Government make a statement on why Richard Howson has a pay packet of £1.51 million from December, payable until October 2018, and is
employed, while apprentices and other employees are being made redundant? May we also have a statement on why the Wood Group won a lucrative contract to carry out inspections, as the sole supplier, at the government’s new Hinkley Point nuclear power plant, with Mr Howson as a director? Could the Leader of the House say whether directors’ disqualification proceedings have started against him and the other directors of Carillion?

Banks were the beneficiaries of quantitative easing, so will the Government ask them to quantitatively ease small business suppliers and pay them within the Government’s own deadline of 30 days? Will the Government ensure that the prompt payment code is now mandatory and not voluntary? That is why we need a taskforce, with a grid and a timeframe, as well as a debate so that the Minister can update the House next week.

This week, we remembered Martin Luther King, and it is sad that the President of the United States did not follow the tradition of previous Presidents and do public service. Martin Luther King looked beyond the colour of people’s skin to the content of their character. We also remember Cyrille Regis, who died this week. He looked beyond the racist chants and provided inspiration to many.

We have been offered the Bayeux tapestry. It depicts events in 1066, but we prefer to remember another Frenchman, Jules Rimet, and the events of 1966.

Finally, Mr Speaker, I wish you a happy birthday. I do not know whether you look at the horoscopes, but they say that Capricorns have a secret desire “to be admired by their family and friends and the world at large”—it could not be more apt.

Mr Speaker: I am not sure I am going to argue with that one.

Andrea Leadsom: I am very tempted to give an opinion about that, Mr Speaker, but perhaps in private rather than in public. At our recent outing with the Youth Parliament, I certainly think that you had universal approval. Its Members were certainly delighted with your support for them, as are many people right across the country who are very grateful for your interventions to support those who do not always have their voice heard, so I would concede that your Capricornian enthusiasm is being met well.

I am grateful to the hon. Member for Walsall South (Valerie Vaz) for her comments and questions, and specifically for her point about Martin Luther King. I pay tribute to her, because she often raises the important progress that has been made on issues of equality. I am grateful to her for that, for what she is doing on the working group on harassment, and for her continual support through it for equality. That is incredibly important.

The hon. Lady asks about the restoration and renewal of the Palace of Westminster. The reason for the motions is that we want to be very clear that this is a decision for the House. The House needs to decide whether we can afford to justify the work that undoubtedly needs to take place to restore this Palace—a UNESCO world heritage site, with over 1 million visitors a year—at a time when there are great fiscal constraints. It is a genuinely open decision that the House needs to make, and what the Government have sought to do, taking into account the broad range of views across the House on what should happen, is to put forward, first, an open discussion about whether the House is willing to bear the cost from the taxpayer’s purse. Secondly, if the House does believe that now is the time, we need to think about how can we go about doing these things to ensure the very best value for taxpayers’ money. That is incredibly important.

The hon. Lady asked me to look at the update of ministerial responsibilities. I will absolutely take that point away and do that.

The hon. Lady talks about environmental protections and the work that Labour has done on recycling in Wales. I would point out to her that this Government were a key contributor to one of the greatest and first truly global legally binding agreements to tackle climate change—the Paris agreement. We decarbonised our economy faster than any other country in the G20 during 2016. And, of course, there was the fantastic piece of news that in June 2016, for the first time, wind, nuclear and solar power generated more UK power than gas and coal combined. So the UK as a whole is doing an incredibly good job in decarbonising and tackling climate change. It is also this Government who have kept 9 billion plastic bags out of circulation through the 5p charge, which has generated £95 million to be spent on good causes. That is incredibly important.

The hon. Lady raises the issue of Swansea Bay. As she knows, that is still under review. It is an incredibly expensive project, so it is vital that we get good value for taxpayers’ money.

On the cost of burials for children, I am very sympathetic to the hon. Member for Swansea East (Carolyn Harris), who has raised this with me in the Chamber a number of times. I will continue to look at whether more can be done but, as hon. Members will be aware, funeral directors and/or local councils often pick up such costs. The question is whether there should be something more centrally managed to address that, but I pay tribute to the hon. Lady for what is a very good campaign.

The shadow Leader of the House talked about Carillion, which is an incredibly important issue for the Government, as all Members will appreciate. There was a statement just this week from the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster. He has made it clear that the Government are working on contingency plans. This is a very troubling time for many employees of Carillion, as well as those who are contractors and those providing public services. The Government will absolutely undertake to ensure that all public services continue to be paid for, and that those employees continue to be paid for the work that they do. There are many different resources for people, including a helpline from the Insolvency Service for businesses and employees who want more information. This is a difficult time, but the Government are doing everything they can, as rapidly as they can, to try to resolve issues and to preserve as many jobs as possible.

Several hon. Members rose—

Mr Speaker: Order. As usual, a great many hon. and right hon. Members are seeking to catch my eye, and I am keen to accommodate the level of interest.
However, it might be useful for the House to know that there is a Select Committee statement to follow, and that approximately 50 hon. Members are seeking to contribute to the two debates to take place under the auspices of the Backbench Business Committee later today. Therefore, if I am to accommodate the level of interest, or to get anywhere near to doing so, there is a premium on brevity from Back and Front Benchers alike.

Sir Robert Syms (Poole) (Con): I welcome the debate on restoration and renewal. I also welcome what the Leader of the House said about there being a genuine choice in that debate. It is important to do emergency repairs, but it is also quite right to reflect before we set up a delivery authority, because a lot of public money would be involved and we have to justify to our constituents that this is the right thing to do. May I therefore commend the Leader of the House on her approach?

Andrea Leadsom: I am grateful to my hon. Friend for his contribution. He is right: this needs to be a decision of the House. It is vital that we take into account the value and importance of this building as a historic national icon that attracts many hundreds of thousands of tourists, schoolchildren and so on, and that is, of course, the seat of our democracy. On the other side of the equation, it is vital that we consider the costs to the taxpayer and value for taxpayers’ money.

Pete Wishart (Perth and North Perthshire) (SNP): Happy birthday for tomorrow, Mr Speaker. The card is in the post; you will receive it tomorrow morning. I thank the Leader of the House for announcing the business for next week.

As the repeal Bill heads off to the House of Lords, we have failed to address the devolution-threatening clause 11, even though we were promised that these issues would be dealt with by the Secretary of State in a series of Government amendments. Apparently it is all to be dealt with in the House of Lords—somewhere with which the Scottish people have no democratic relationship whatsoever. I really hope that this will all be resolved properly. To me—[Interruption]—it looks like we are taking power back—[Interruption.] Excuse my coughing; there was a bit of Theresa May about that.

To me, it looks like we are taking power back from, in some people’s words, unelected EU Eurocrats, only to hand it over to unelected Lords, aristocrats and bishops—but I suppose they are British unelected Lords, aren’t they? Apparently, to help the Government to get their Bill through the Lords, 13 new Government peers will be ennobled. And we have the gill to lecture the devolved Administrations in the Lords, the sole reason being the fact that the constructive talks with the devolved Administrations have not reached a conclusion. Surely the hon. Gentleman agrees that it is better to get that right than to rush it.

The hon. Gentleman gave his view of the other House, of which he is plainly not a fan. My view, and the view of many Members, is that the other place does some work. I suppose we should be grateful that we are at least given the chance to debate and to make sure that we participate. That is what our electors expect us to do; the Leader of the House has to get that sorted.

Andrea Leadsom: I am grateful to the hon. Gentleman for, as ever, expressing myriad thoughts.

As has been made very clear, amendments to clause 11 of the European Union (Withdrawal) Bill will be tabled in the Lords, the sole reason being the fact that the constructive talks with the devolved Administrations have not reached a conclusion. Surely the hon. Gentleman agrees that it is better to get that right than to rush it.

The hon. Gentleman gave his view of the other House, of which he is plainly not a fan. My view, and the view of many Members, is that the other place does an incredibly valuable job in revising and improving legislation. There is some real expertise there, and we count on being able to add it to the work of this elected House. I, for one, support it.

The hon. Gentleman talked about restoration and renewal, and paid tribute to the Member for Gainsborough (Sir Edward Leigh) for all sorts of jumping up and down. I have not seen my hon. Friend do that, but he and I have had many discussions about R and R, and will continue to do so throughout the process.

Finally, the hon. Gentleman mentioned electronic voting. The House has considered that in the past and will keep it under review, but, as we have seen over the last couple of days, after a period when the House has not sat, meeting in the Lobbies and having an opportunity to raise issues with Ministers and other colleagues and share information is often incredibly valuable. [Interruption.] The hon. Gentleman is shouting from a sedentary position that it is all right for us, but I sometimes meet him to discuss issues that are of common interest across the House. I personally feel that the Lobby has a valuable role to play in our democracy.

Nicky Morgan (Loughborough) (Con): One of the roles of the House is to scrutinise the work of the Government. May I ask my right hon. Friend to help me to obtain proper answers to two written questions that I tabled to the Department for Exiting the European Union about the publication of a position paper by the Government on services, which constitute 80% of our economy, and financial services, which will employ more than 1 million people. During the Brexit negotiations? The answers that I have received so far have been sent from an account called “No reply”, and they truly live up to that title.

Andrea Leadsom: I am genuinely sorry to hear that, and I shall be happy to take the matter up with the Department on behalf of my right hon. Friend. I should
add, however, that—as my right hon. Friend the Secretary of State for Exiting the European Union said last night, when he paid tribute to many Members on both sides of the House—the Government have been shown to be listening very carefully to proposals for improvements to the Bill, and have adopted many of the suggestions made by members of all parties.

Paula Sherriff (Dewsbury) (Lab): My constituency is plagued by dangerous drivers in high-performance cars. Loopholes in insurance rules mean that, although many are not adequately insured, they are able to abuse the system and stay under the police radar. May we have a debate about closing those loopholes to make our roads safer?

Andrea Leadsom: I thank the hon. Lady for raising an issue that is very important to people in her area, as she often does. I encourage her to seek an Adjournment debate so that she can discuss the specific examples that she has in mind.

Will Quince (Colchester) (Con): I, too, welcome the motions relating to the repair and renewal of our historic Parliament. However, given that people and organisations throughout the country are having to make some really tough decisions, will the Leader of the House ensure that, having debated those motions, we exercise financial prudence in whatever decision we make about the future of the House?

Andrea Leadsom: My hon. Friend is right to point out that, whatever we do—whether we decide to look at the issue again later in the parliamentary Session, or whether we decide to take action now—at the heart of our decision must be the need to secure the best possible value for taxpayers’ money.

Ian Mearns (Gateshead) (Lab): May I wish you a happy birthday for tomorrow, Mr Speaker? I would guess that we do not yet have to warn the London Fire Brigade about the potential for a conflagration from the cake.

I am grateful to the Leader of the House for providing a debate on restoration and renewal in Government time, but on the basis of the application for a debate on the subject that the Backbench Business Committee has already received, I suspect that a half-day debate may not be sufficient to assuage Members’ thirst, and that a subsequent debate in Back-Bench time may well be necessary. An awful lot of Members are very interested in discussing the pros and cons because whichever option is taken will not be cheap, and there are significant potential costs to the public purse as a result of whichever option we go for.

There is also an important debate this afternoon about RBS Global Restructuring Group, but will the Leader of the House think about having a debate in Government time about banking practice generally in the aftermath of the international financial crisis? I am aware of significant numbers of additional cases involving Lloyds, Allied Dunbar and many other banks in the banking system that have caused grievous problems to SMEs around the country, putting people into penury.

Andrea Leadsom: I certainly, of course, would welcome the Backbench Business Committee deciding to have a further debate on R and R. That hon. Gentleman raises an important point about the demand for debate on that. If Members want to do a tour of the basement to avail themselves of some very useful information prior to the debate, the engineers stand ready to provide those at their convenience. It is very enlightening, so if you—I am sorry, if Members—I am sure that you, Mr Speaker, have already done it—wish to do that, please do.

The hon. Gentleman raises the important point about the way banks have treated SMEs. As City Minister, I had some grave concerns about that and investigated a number of cases. I am sure that he will have support from hon. Members if he wants to suggest further debates at the Backbench Business Committee.

Sir Edward Leigh (Gainsborough) (Con): I am grateful to the Chair of the Backbench Business Committee for awarding me and 19 other colleagues a debate on the restoration and renewal of Parliament on Thursday 1 February because this has now forced the issue and we are now going to have a good debate. Can the Leader of the House say more about that?

If the second motion comes up for a vote because the first motion has not been passed, will the second motion be amendable? The motion I was going to put down for the Backbench Business Committee day debate was amendable, and was on the clear premise that, while we would set up a sponsoring authority, it would be on condition that this debating Chamber should stay in the Palace for the whole time. So if the second motion is passed, it is very important that it is amendable, so that this point of view can be put to the House.

Andrea Leadsom: Because of the seriousness of the decision before the House, the two motions will not be amendable; it will be a case of either the first motion or, if that falls, the second motion.

Nick Smith (Blaenau Gwent) (Lab): Today’s Financial Times reports pandemonium at some Carillion construction sites, and at PMQs yesterday there were no answers to concerns about the future of thousands of apprentices across the country, and there is much complexity over the various pension pots. May we have a Government statement on their progress in responding to this calamity?

Andrea Leadsom: We are of course taking every possible action to try to resolve the inevitable uncertainty when a company of this size gets into financial difficulties. The hon. Gentleman is right to focus on the issues for apprentices. My right hon. Friends are looking very carefully at what can be done. For those seeking advice, a webpage has been set up by the Insolvency Service, and there is also a dedicated website set up by the special managers PwC to provide more information to those individuals. The Government have set up a group to discuss the issues with trade unions and industry representatives, so as to be able to ensure that we get to the bottom of this as soon as possible.

Several hon. Members rose—

Mr Speaker: Order. At approximately 11.40 am we will need to move on to the next business, so may I very gently say to colleagues that although I understand the
Mr Ian Liddell-Grainger: We need a debate on Carillion. We have had a disaster in Taunton, just outside my constituency, where the roadworks went over time and over budget. It was a shambles. It is time to have a debate now, please.

Andrea Leadsom: My hon. Friend raises an important issue, which the Government are looking closely at. I encourage him to seek an Adjournment debate on any specific issues that relate to his constituency.

Mr Barry Sheerman: Is the Leader of the House aware that many people believe that the pressure on the health service is partly due to the collapse of the social network support services in our communities? May we have an early debate on what is going on in community support services?

Andrea Leadsom: There are many community support services that do an incredibly good job in further supporting people’s health needs, not least those involving the health implications derived from loneliness. The Prime Minister has announced that we have now appointed a new Minister to tackle that specific issue. The hon. Gentleman will be aware, however, that the NHS is now funded even more than it ever has been, with a further £6.3 billion of new funding announced in the Budget. The Government are determinedly tackling the need to recruit more doctors and nurses and to ensure that the NHS is able to meet the very particular demands that it faces this winter.

Philip Davies: Did the Leader of the House see the opinion poll last week that showed that 84% of the people want money to be diverted from the overseas aid budget to the NHS? May we have a debate and a vote on this issue, so that we can see how out of touch this House is, once again, with public opinion at large?

Andrea Leadsom: My right hon. Friend the Secretary of State for International Development has made it clear that she will ensure that the generosity of the British people towards international aid is put to the best use, and that she will be ever more demanding that we focus on those areas that other Governments cannot begin to deal with themselves. It is important to focus on the UK’s generosity with regard to aid in crisis, to supporting the rights of women and girls and to dealing with some of the problems of the very poorest in the world. It is the right balance that we should give to those who are far worse off than we are, as well as increasing funding for our vital NHS, as we have done.

Stephanie Peacock: May I wish you a happy birthday for tomorrow, Mr Speaker? Last week, I visited the Cudworth food bank, and I want to pay tribute to its work. May we have an urgent debate in Government time on food poverty and on why, following the roll-out of universal credit, this Government think it is acceptable for my constituents to choose between heating and eating?

Andrea Leadsom: I echo the hon. Lady’s tribute to the work of volunteers in food banks. They do a fantastic job. With the roll-out of universal credit, the Government have listened to Members across the House and to Citizens Advice. We have raised the value of advances. We have ensured that people can get their universal credit on day one. We have reduced the waiting time to nothing and enabled transitional funding for people who are in private housing accommodation. People are always better off in work, but these measures will ensure that, as they transition to universal credit, the transition is made easier for them.

Craig Tracey: Following the publication of the motions on restoration and renewal, may we have a statement to update the House on what lessons have been learned following the reported cost overruns on the current Elizabeth Tower project?

Andrea Leadsom: My hon. Friend makes a good point. I was extremely concerned to hear about the cost overrun on the Elizabeth Tower. The House authorities were certainly also disappointed, and they have learned lessons. They have tried to ensure that the proposal for an Olympic-style delivery authority to oversee the restoration and renewal of the Palace will reflect the absolute need to ensure that the project, if it happens, is done with the best value for money for the taxpayer in mind and the tightest possible control on costs.

Vicky Foxcroft: In 2017, 80 people were stabbed and murdered in London, and there were 37,000 knife-crime offences—an increase of 26%. This is an epidemic and a tragedy, and it must stop. The current approach is clearly not working, and a new approach is required. We need a cross-departmental debate in Government time on how to tackle the root causes of youth violence, so will the Leader of the House schedule time for one?

Andrea Leadsom: All Members are incredibly concerned about the incidence of knife crime, particularly among young people. I am sure that the hon. Lady is aware that the Home Office is reviewing the matter and taking evidence and will be coming out with proposals for how to tackle the problem.

John Lamont: Jo Cox was a fantastic advocate for improving the lives of those who suffer from loneliness, and it is brilliant that that work will continue through the Jo Cox Commission on Loneliness with the support of the Minister for Sport and Civil Society. May we have a debate on what more can be done to ensure that nobody, young or old, finds themselves alone and without social interaction?

Andrea Leadsom: My hon. Friend is right, and I am happy to pay tribute to Jo Cox’s work, which inspired the Commission on Loneliness in her name. It is shocking that more than 9 million people in the UK always or often feel lonely. The Minister for Sport and Civil Society will now take forward the important work that
[Andrea Leadsom]

the Jo Cox Commission has started, and I wish her great success. For my part, tackling loneliness is one of my top priorities in my constituency of South Northamptonshire, and we have tried to establish regular coffee mornings in some of my 92 villages, which goes some way towards getting people out to meet each other.

Mr Ben Bradshaw (Exeter) (Lab): May we have a statement from the Education Secretary about the completely inexplicable decision by the Education and Skills Funding Agency to reject Exeter College’s bid to continue to deliver apprenticeships in local small businesses, despite it having one of the best records in England? I warn the Government that there will be serious consequences for the provision of apprenticeships in my local area.

Andrea Leadsom: I am sorry to hear about that. I encourage the right hon. Gentleman either to seek an Adjournment debate or to raise the matter at Education questions since it is a very specific point.

Alex Chalk (Cheltenham) (Con): At a time when Cheltenham General Hospital needs capital investment in its emergency department, will hon. Members have the full opportunity to make the point that spending wildly disproportionate sums on this place will be unacceptable to my constituents and risks damaging the very democracy that we seek to uphold?

Andrea Leadsom: My hon. Friend is a keen advocate for his constituency. That is precisely the reason why we need to discuss affordability and value for taxpayers’ money as we seek to restore this Palace of Westminster, which is old and in a bad state of repair.

Thangam Debbonaire (Bristol West) (Lab): Following the restoration and renewal debate, may we have a debate in Government time about making this place and all public buildings truly autism-friendly?

Andrea Leadsom: The hon. Lady raises a good point. In looking at restoration and renewal, there is no doubt that considering issues such as autism-friendliness and making facilities appropriate for other disabilities will be absolutely vital should we decide to spend the money to repair this place.

Robert Halfon (Harlow) (Con): May we have an urgent statement on the sensitivities around domestic violence? My right hon. Friend will know of recent tragic fatal cases in my constituency. Sadly, a senior Labour councillor, Mike Danvers, made a joke yesterday about beating one’s wife and, incredibly, that was supported as a colloquialism by the manager of Harlow and District chamber of commerce. Does my right hon. Friend agree that we should condemn that, that the councillor should resign, that the manager of the chamber of commerce should apologise, and that we should be sensitive about domestic violence?

Andrea Leadsom: My right hon. Friend is exactly right. There is nothing funny or at all amusing about domestic violence, and I certainly agree that people in public life need to be extremely careful about the jokes they make. I reassure my right hon. Friend that the Government are absolutely committed to stamping out domestic violence. We will be introducing a draft domestic violence and abuse Bill. Tomorrow, we will be considering the Stalking Protection Bill of my hon. Friend the Member for Totnes (Dr Wollaston). It is vital that we do everything we can to stamp out domestic violence.

Jim Shannon (Strangford) (DUP): In 2006, Algeria introduced a decree stipulating that permission must be obtained from the state before using a building for non-Muslim worship. Since then not a single permission has been given to build new church premises and many churches have been closed. Will the Leader of the House agree to a statement outlining steps to encourage the Algerian Government to cease the closure of churches and to issue permits so that churches can continue?

Andrea Leadsom: The hon. Gentleman raises an important point about religious freedom, as he often does in this Chamber, and I encourage him to seek an Adjournment debate to take it further.

Mary Robinson (Cheadle) (Con): May we have a debate on the importance of the marine environment? Many of my constituents have written to me on this subject. Will the Leader of the House join me in celebrating the excellent steps the Government are taking to ban microbeads?

Andrea Leadsom: I am delighted to share my hon. Friend’s pleasure in the Government’s work on banning microbeads used in some cosmetics and other products. She is right that protecting our marine spaces is vital, and this Government have done so much. We are creating a marine blue belt around our overseas territories, and we are determined to stamp out the problem of plastics in our oceans.

Layla Moran (Oxford West and Abingdon) (LD): In a Public Accounts Committee hearing this week, we heard the explosive fact that learndirect did not just take Ofsted to judicial review over its damning report but took out a super-injunction that served to stop Government bodies discussing learndirect during that time. That is outrageous behaviour. May we have a debate on the conduct of companies funded by public money?

Andrea Leadsom: The hon. Lady has great expertise in this area, and she raises an important point. I can tell her that the chief executive of learndirect has written to the Chair of the Public Accounts Committee on this issue. On learndirect’s specific legal costs, the Department for Education defines what is eligible expenditure of moneys provided for training but, as she would expect, any income over and above that can be used at the provider’s discretion.

Mr Alister Jack (Dumfries and Galloway) (Con): Will my right hon. Friend provide for a debate in Government time on the progress of domestic preparations to leave the EU, both with and without a deal?

Andrea Leadsom: I am delighted that my hon. Friend has the appetite for yet more debate, over and above the 64 hours we have just gone through. There will be many opportunities to have further debates and discussions.
I absolutely assure him that the Government are determined to make sure that we leave the European Union in a way that works very well for our EU friends and neighbours and for the United Kingdom.

**Diana Johnson** (Kingston upon Hull North) (Lab): This week Public Health England showed that in the most deprived parts of the country that are hit hardest by austerity, such as my constituency in Hull, life expectancy has fallen since 2011, breaking a peacetime trend going back to Victorian times. Can we please have a debate in Government time on why this has happened?

**Andrea Leadsom**: I also saw that report, which is of course very concerning. As I understand it, there are complex reasons for the fall, some of which are related to lifestyles, loneliness, mental health and so on. It needs to be carefully considered. If the hon. Lady wants to discuss the issues affecting her area in particular, I encourage her to seek an Adjournment debate.

**Dr Matthew Offord** (Hendon) (Con): A number of constituents have contacted me asking that the Government stick to their manifesto pledge to replace inclusivity rules that prevent the establishment of Roman Catholic schools. Will the Leader of the House ensure that the new Secretary of State for Education comes to the House to update us on the Government’s progress?

**Andrea Leadsom**: My right hon. Friend the new Secretary of State for Education has quite a lot to do that.

**Alison Thewli斯** (Glasgow Central) (SNP): I have received some wonderful and moving letters from young constituents at Garnethill Primary School and St Mungo’s Academy regarding the unfair treatment of asylum seekers and refugees under the current family reunion rules. May we have a debate on all those issues so we can all stand up for refugee children across the world?

**Andrea Leadsom**: The issue of refugee children is a very grave one, and this country has been very generous in taking in refugee children. As the hon. Lady will know, the UK-French summit is taking place today; there will be further discussions at the summit about refugee children who are trying to cross over into the United Kingdom. We can all be proud of the fact that Eurostat figures show that in 2016 the UK resettled more refugees from outside Europe than any other EU member state.

**Eddie Hughes** (Walsall North) (Con): I remind the House that a world heritage site is one that is of great importance to current and future generations across the world. I seek an assurance that in the difficult choices we have to make on the restoration of this building, we will be considering not just our own purposes in this building, but those who visit every year.

**Andrea Leadsom**: My hon. Friend is quite right; the excellent productivity news is good, but there is much more to do. Britain’s productivity has long lagged behind that of our competitors and has been weak ever since the financial crisis of 2009-10. That is why our industrial strategy is focused on improving productivity, investing in research and development, improving skills, upgrading infrastructure and promoting the best possible environment for new and growing businesses.

**Neil Gray** (Airdrie and Shotts) (SNP): Leaving aside my views on the project, the Government’s approach to restoration and renewal has today moved from circus to farce. It is approaching 18 months since the Committee I served on, reported, with clear recommendations. If the Leader of the House is to take this House seriously and wants a proper debate, will she allocate a full day, make sure the motions are substantial and amendable, and come back again to ensure that the issue is given a proper debate?

**Andrea Leadsom**: It is astonishing that the hon. Gentleman says the Government are not taking this seriously. This is a matter for the House; the House needs to decide whether taxpayers’ fiscal issues can be outweighed on balance by the need to restore the Palace of Westminster. It is properly a debate for the House, and Government time is being given to that. Hon. Members will recognise that the Government have moved the date to a Wednesday for the convenience of Members, who made it clear that they did not want this debate to take place on a Thursday. What the Government are doing is facilitating a discussion and a decision by Members of this House, and it is right that we should do that.
Mr Philip Hollobone (Kettering) (Con): As the second most fatal cancer, bowel cancer kills 16,000 people every year. Will the Leader of the House join me in congratulating the bowel cancer screening team at Kettering General Hospital on the 10th anniversary of their successful and life-saving work, which has detected 800 cancers and 3,000 potential cancerous growths? May we also have a statement from the Department of Health and Social Care on similar successful initiatives across the NHS?

Andrea Leadsom: I am very happy to pay tribute to Kettering General Hospital for those excellent results. We should all be proud of the Government’s target of better results for cancer patients overall.

Andy Slaughter (Hammersmith) (Lab): I am delighted that, as the Leader of the House said, the Government will tomorrow support the private Member’s Bill promoted by my hon. Friend. The Member for Westminster North (Ms Buck) on the fitness of housing for human habitation, especially as it represents a damascene conversion from their previous stance. Will the Government also support my private Member’s Bill on the extension of the Freedom of Information Act to private sector companies that undertake public sector contracts? Such an extension might have alerted us sooner to the chaos at Carillion that both the company and the Government kept to themselves for too long.

Andrea Leadsom: I am certainly happy to look into what the hon. Gentleman says. He will appreciate that private Members’ Bills are exactly that and that it is for the Member to seek support from right hon. and hon. Members from all parties. I wish him luck in doing that.

Maggie Throup (Erewash) (Con): As we start to debate the restoration and renewal of the House, will my right hon. Friend reassure us that as part of that debate we will consider the safety and security not only of Members and the people who work here but of the people who visit? That is so important.

Andrea Leadsom: Yes, my hon. Friend is right to raise the fact that when we restore the House we will address, largely, some of the issues relating to safety in this place. There are risks from problems with water, electricity, sewage and asbestos, and there are risks of fire and so on. The House is always maintained at a safe level, but there is no doubt that its restoration and renewal would solve those problems for much longer than we are able to ensure with the “patch and mend” approach that we currently have to take.

Paul Flynn (Newport West) (Lab): In the Welsh Assembly yesterday, Mark Isherwood, a Conservative Member, won by 31 to two a vote on a motion asking this House to re-legalise medicinal cannabis. Will the Government follow suit and give a fair wind to my private Member’s Bill, which would liberate seriously ill people from the threat of prosecution for using their medicine of choice?

Andrea Leadsom: The hon. Gentleman has championed this issue in the House. As he knows, the Government keep the matter under review, but it is not our policy to legalise the use of cannabis.

Bob Blackman (Harrow East) (Con): Will my right hon. Friend arrange for a statement to be made on improved co-operation on intelligence, defence and security, along with the decision to allow more unaccompanied child refugees to come to this country, which will result from President Macron’s visit today?

Andrea Leadsom: I think we all welcome President Macron’s visit to discuss further co-operation between the British and French. We already have a very strong bilateral relationship with France, particularly, as my hon. Friend mentions, on matters such as security and the migrant situation in Calais. I am sure that updates will be provided to the House following today’s summit.

Mrs Madeleine Moon (Bridgend) (Lab): My constituent Gemma Hartnoll founded the charity Wings Cymru to tackle period poverty. Too many young people in schools, homeless people and those who need food banks cannot afford sanitary products. May we have a debate in Government time on how we can tackle this very personal and intimate crisis?

Andrea Leadsom: I share the hon. Lady’s concern about this issue, which can be humiliating for young people. I absolutely empathise with her point and encourage her, at least in the first instance, to seek an Adjournment debate so that she can hear from a Minister what more can be done.

Stephen Kerr (Stirling) (Con): Earlier this week, the Business, Energy and Industrial Strategy Committee published an important report on the safety of electrical goods in the UK that highlights some serious safety concerns about 1 million Whirlpool tumble dryers and plastic-back fridge-freezers. The matter requires an urgent response from the Government, so when can we have a statement?

Andrea Leadsom: I encourage my hon. Friend to write to the Department for Business, Energy and Industrial Strategy to seek its thoughts. I would be happy to take up the matter on his behalf.

Cat Smith (Lancaster and Fleetwood) (Lab): In the light of the collapse of Carillion, do the Government intend to make a statement on the decision to award the Department for Work and Pensions facilities management contract to Interserve, another company with huge debts and a large pension deficit that has issued numerous profit warnings?

Andrea Leadsom: As the hon. Lady will be aware, the Chancellor of the Duchy of Lancaster has already made a statement, and I am sure that he will make further such statements. The Government are very focused on looking at this from every aspect. I have been absolutely reassured that all Government contracts are kept closely under review, as indeed the ones with Carillion were. As she will know, the decision was taken following profit warnings that Carillion contracts would be awarded as joint-venture contracts, to ensure continuity should something happen. Equally, she must understand that profit warnings in themselves do not mean that it would be legitimate then to rule out a company from being able to accept Government contracts.
Several hon. Members rose—

Mr Speaker: Order. The pressure is growing for short single-sentence questions without preamble, to be brilliantly exemplified, I feel sure, by Mr Drew Hendry.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Government continue to fail to act on the fact that consumers in the Highlands and islands pay 2p to 6p more per unit for their electricity than those in other areas due to unfair network and distribution charges. May we have a debate in Government time on how to end the shabby treatment of people in the Highlands and islands and other rural areas?

Andrea Leadsom: That is an issue that I was very concerned about as Energy Minister, but the hon. Gentleman will appreciate that, to a large extent, electricity prices in the Highlands and islands and the subsidies and extra support are a devolved matter. There were many debates on fuel poverty and on the support available for people through that. What the Government are doing, which is not a devolved matter, is introducing the energy price cap. The Prime Minister has made it her personal priority to bring forward proposed legislation to ensure that people are treated fairly.

Jo Stevens (Cardiff Central) (Lab): Cardiff Central Labour councillor Ali Ahmed is currently in Bangladesh with representatives of the Cardiff Bangladesh association, presenting a £40,000 cheque for the Rohingya relief effort. May we have a debate in Government time on the genocide caused by the Burmese military, which has created the refugee problem in Bangladesh?

Andrea Leadsom: The whole House is very concerned about the humanitarian crisis that has been caused by Burma’s military. Many Rohingya have been killed and more than 650,000 have fled to Bangladesh. The hon. Lady will be aware that the UK is one of the biggest donors to the Rohingya refugee crisis, and the Department for International Development has stepped up efforts with an additional £59 million to support the latest influx of refugees. We had a debate only recently on the plight of the Rohingya people, and she may well wish to seek a further Backbench Business debate to hear more from Ministers.

Mr Jim Cunningham (Coventry South) (Lab): Can we have a debate or a statement on the public services in relation to the retention of pay? As the Leader of the House allow a debate in Government time on how to end the shabby treatment of people in the highlands and islands and other rural areas?

Andrea Leadsom: The hon. Gentleman is absolutely right to pay tribute to his constituent councillor, and to all those who give so much of their time, very often their families.

Nic Dakin (Scunthorpe) (Lab): May we have a statement about the impact of the removal of employment and support allowance mortgage interest support on people such as my constituent Jonathan Parsons, registered blind, who had paid into the system all his working life?

Andrea Leadsom: False advertising is incredibly harmful, and if the hon. Gentleman has examples of such incidents he should certainly raise them with the Department. He may well wish to initiate an Adjournment debate on that.

Patrick Grady (Glasgow North) (SNP): May we have a debate on the capacity of UK border and immigration MP hotlines? My office needs to urgently raise the case of Gospel Ocholi, a talented young footballer and refugee who wants to take part in a Partick Thistle training academy in Portugal. Can a Minister come to this House and explain how MPs are supposed to raise these cases if we cannot get through to the hotlines?

Andrea Leadsom: The hon. Gentleman should raise it with the Department. I am happy to do it on his behalf if he emails me, and I will take it up for him. With regard to the individual case, he could perhaps raise it at departmental questions.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): This Chamber rightly sees a lot of robust partisan politics, but we should never forget the ethos of public service, which I believe motivates the vast majority of elected representatives in the UK. There was no better example of that than my friend and colleague Councillor Kieran Quinn, the leader of Tameside Council, who tragically collapsed on Christmas eve and died on Christmas day. He was just 56. I know that there are many colleagues who plan to be in Greater Manchester for the funeral on Monday. I ask the Leader of the House to join me in praising the life, work and commitment of local leaders like Kieran, who do an incredible job in difficult circumstances, often at great cost to themselves and their families.

Andrea Leadsom: I am sorry to hear about the case that the hon. Gentleman raises. He may want to raise that at departmental questions as a specific constituency case.

David Linden (Glasgow East) (SNP): TotsBots in my constituency manufactures eco-friendly reusable nappies, but there have been examples of companies that are falsely advertising and the nappies go to landfill sites. May we have a debate in Government time about false advertising and the damage it causes to parents?

Andrea Leadsom: False advertising is incredibly harmful, and if the hon. Gentleman has examples of such incidents he should certainly raise them with the Department. He may well wish to initiate an Adjournment debate on that.

Alex Norris (Nottingham North) (Lab/Co-op): Last Friday, Nottinghamians woke up to the awful news that our recently redeveloped train station was ablaze. Will the Leader of the House allow a debate in Government time to consider the terrific work done by Nottinghamshire fire and rescue and the police and council in tackling the fire and having things running again within a day?
Andrea Leadsom: I think we all realise what a debt of gratitude we owe to our fire officers, who do such an amazing job, so quickly and at so great a risk to themselves. I absolutely pay tribute to them, alongside the hon. Gentleman.

Liz McInnes (Heywood and Middleton) (Lab): With my hon. Friend the Member for Hammersmith (Andy Slaughter), I would like to request an urgent debate about requiring private companies providing public services to be subject to the same standards of openness and transparency as the public sector, so that companies like Carillion can no longer hide behind commercial confidentiality.

Andrea Leadsom: The hon. Lady raises an important point, again in the context of what has happened with Carillion. She may rest assured that the Government will be looking carefully at whether we can improve processes as a result of this experience, but equally she must recognise that there is great value to the taxpayer in being able to use private sector companies to deliver some services that are of much better value and efficiency to the public sector than bringing them all in-house.

Martin Whitfield (East Lothian) (Lab): On 6 December 2017, the Secretary of State for Scotland gave undertakings with regard to an amendment in the European Union (Withdrawal) Bill. May we have a statement clarifying the record and explaining why it was not met?

Andrea Leadsom: I encourage the hon. Gentleman to take that matter up directly with the Secretary of State at Scotland Office questions.

Alan Brown (Kilmarnock and Loudoun) (SNP): Only Iran and the House of Lords, with its bishops, incorporate religious clerics into their legislatures, and next week in the House of Commons we will have Church of England questions. May we have a debate in Government time about moving away from a medieval set-up and separating the UK state from the Church?

Andrea Leadsom: The hon. Gentleman mentions an extremely controversial idea, which would have significant constitutional implications. As a first port of call, he may well wish to raise that at Church Commissioners questions next week.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Mr Speaker, I am grateful for being called last—it gives me an additional chance to exercise. Will the Leader of the House recognise the concerns of hard-working GPs in Plymouth that primary care is in a state of crisis, with GPs working to the point of exhaustion? May we have a debate about the state of primary care?

Andrea Leadsom: GPs do a fantastic job and we are all incredibly grateful to them. We know that they are under pressure. We know that there are numerically more doctors now than ever before, but equally there are greater demands on their time than ever before. That is why the Government have provided an extra £6.3 billion of funding for the NHS at the last Budget, to ensure that we can meet the demands that are being made on GPs and others.

Mr Speaker: I am very grateful to the Leader of the House and to colleagues for their succinctness in enabling us to finish on schedule.

We now come to the Select Committee statement. The Chair of the International Development Select Committee, Mr Stephen Twigg, will speak on his subject for up to 10 minutes, during which—I remind colleagues who have forgotten the procedure, or inform them if they were not aware of it—no interventions may be taken. At the conclusion of his statement, I will call Members to put questions on the subject of the statement and invite the hon. Gentleman to respond to those in turn. Members can expect to be called only once. Interventions should be questions and should be brief. The Front Bench may take part in questioning. I call the Chair of the International Development Select Committee, Mr Stephen Twigg.
Bangladesh and Burma: Rohingya Crisis

SELECT COMMITTEE ON INTERNATIONAL DEVELOPMENT

Select Committee statement

11.39 am

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I am grateful to you, Mr Speaker, and to the Backbench Business Committee for allowing me time, on behalf of the International Development Committee, to speak to the House today about our second report of this parliamentary Session, "Bangladesh and Burma: the Rohingya Crisis".

The scale and depth of the suffering of the Rohingya has rightly given rise to substantial activity in this House. As well as inquiries by my Committee and the Foreign Affairs Committee, we have had an urgent question, debates both on the Floor of the House and in Westminster Hall, and a significant number of parliamentary questions. The International Development Committee is examining DFID’s work in Bangladesh and Burma, and this report is our first output.

The dire circumstances of the Rohingya are of course ongoing. In addition to the £59 million that DFID has allocated to humanitarian aid for the Rohingya, there will doubtless be calls for further emergency relief as this crisis continues. Additionally, DFID’s budget for more conventional, longer-term development aid in Burma and Bangladesh next year will total about £170 million. We are examining that in the next stage of our inquiry.

I pay tribute to the people and the Government of Bangladesh and to the many organisations and individuals who have been working in Cox’s Bazar and elsewhere to assist the Rohingya people. The Rohingya have been devastated by decades of marginalisation and abuse, leading to the events of the past six months, which the United Nations has rightly described as a “textbook example of ethnic cleansing” perpetrated by the Burmese security forces. This week we have heard deeply disturbing reports of a possible agreement between the Governments of Bangladesh and Burma to repatriate displaced Rohingya. The potential return of over 100,000 Rohingya to Burma without any clear understanding of their legal status or knowing anything about their final destination is of course of very great concern.

Early in the conflict, the Government presented a five-point plan to help galvanise the international community into action. The plan involves the cessation of violence by the Burmese; guaranteed humanitarian access to the affected parts of Burma; repatriation, but only on a voluntary basis, with safety guaranteed; full implementation of the Annan advisory committee’s recommendations; and, crucially, full, unimpeded access for, and co-operation with, the United Nations Human Rights Council’s fact-finding mission. Our evidence is unequivocal that none of those strands of the plan are anywhere near being realised today.

Our report looked at the previous periods of displacement of the Rohingya and, indeed, other minority groups over the past two decades. In no instance was the outcome satisfactory, and the Committee has little confidence that it will be any better this time. The idea that the Rohingya could be returned to live in internment camps controlled by the Burmese military is surely completely unacceptable.

We welcome the £59 million commitment that the United Kingdom Government have made to respond to the crisis, and, in particular, the swiftness with which that was pledged. However, the Government of Bangladesh have told us that they expect the cost of effective provision of basic services for the displaced Rohingya eventually to total more than £1 billion. The Geneva conference in October secured commitments to provide about a quarter of that sum—£266 million. There is clearly still a huge funding gap, and other donors need to rise to the challenge in the way that the UK Government, to their credit, have done.

We expressed particular concern about large-scale gender-based violence committed by the Burmese military. This is not something new. Predecessor International Development Committees have reported on this, in 2006 and 2014. The Governments of the time, in their responses to those reports, agreed with the Committees’ harrowing assessment about the Burmese army using rape as a weapon of war. Our own evidence heard that this situation is, if anything, worse than ever. ActionAid stated in its evidence to us:

“Girls as young as 5 years of age have been reported to have been raped by multiple uniformed actors, often in front of their relatives. There are reports of rapes being widespread, extremely violent, and accompanied by mutilation. There are reports of pregnant women being attacked and their foetuses removed from their bodies.”

We were very disappointed that the Government seem reluctant to commit their full specialist sexual violence team to the region. This flies in the face of the commitment made by the former Foreign Secretary Lord Hague to give a big focus in UK policy to this issue. In conflicts where rape, sexual violence and torture are used, it is essential that official, contemporary, reliable evidence-gathering by forensic professionals occurs as quickly as possible. The Burmese Government’s claim that they have investigated and that their investigation clears their armed forces of wrongdoing are, in the words of our own Government, “simply not credible”.

There are also issues arising in the camps in Bangladesh. Poor lighting, the lack of privacy around toilets and washing facilities, and the absence of any security for women and girls who work outside the camps have created an environment that is fundamentally unsafe, particularly for women and girls. As we were told in evidence, women and girls are therefore more likely to be victims of trafficking, and more likely to find themselves forced into early—including childhood—marriages.

The most effective way to deal with any crisis is of course to prevent it from happening in the first place. There is nothing new about this situation with the Rohingya. Human Rights Watch has been reporting on the ethnic cleansing of the Rohingya and asking for action by the international community since at least 2013. Since 2015, the United States Holocaust Memorial Museum’s early warning project has identified the Rohingya as one of the world’s vulnerable populations most at risk of genocide. The disparity between what the international community was saying about the conflict and what we were told by these civil society organisations is very stark. Its effect is that there has not been the quick, effective response from the international community that might have prevented this from happening.
In fact, our evidence suggests that in some ways the opposite has happened. The continued engagement by the United Kingdom and other countries with the Burmese authorities seems to have been interpreted by their military as tacit acceptance of their treatment of the Rohingya people. We also note that there has been considerable over-optimism about the speed and breadth of democratic reforms in Burma.

In conclusion, the Rohingya crisis provided the international community with an immediate test case for the 2016 consensus reached at both the world humanitarian summit and the New York declaration on displaced people, including refugees. It is clear that the commitments made in 2016 have been tested to destruction by this crisis. It is vital that the United Kingdom continues our commendable contribution to humanitarian aid. The five-point plan is welcome, but it would be totally unacceptable for repatriation even to be considered until we see fundamental change in Burma itself. Surely it is totally unacceptable for repatriation even to be considered until we see fundamental change in Burma itself.

Bob Stewart (Beckenham) (Con): I know there is a problem with UN peacekeeping in the region, but what is the feeling about the Security Council coming to an agreement to put in peacekeepers? There is a dire need for them.

Stephen Twigg: That is a very important question. It falls a little outside the remit of our inquiry, so it is not a matter on which we took a lot of evidence or reached conclusions in the report. The hon. Gentleman has raised a very important point, and it may be an issue on which our Committee and the Foreign Affairs Committee can work together. Ultimately, if there is to be a point at which the Rohingya feel they can go back, they will need guarantees, and I personally think he is right that peacekeepers could form part of the solution.

Imran Hussain (Bradford East) (Lab): I thank the Chair and all members of the International Development Committee for an informative report that goes further than previous reports. Does my hon. Friend agree that there continue to be serious concerns regarding the terms and conditions of repatriation? Where will refugees return to when all their houses and villages have been burned? What human rights protections will people be afforded once they return, and what stops genocide happening again? Surely the British Government must now change their stance, which is more focused on the rights of the Rohingya as opposed to the transition to democracy. The Rohingya must have a voice at the table if we are to achieve democracy.

Stephen Twigg: I thank my hon. Friend for his question and for his passionate advocacy of the Rohingya cause. I know that his constituency contains a significant Rohingya diaspora community, on whose behalf he speaks. I agree that the Government’s approach needs to place greater emphasis on the protection of the Rohingya, and indeed other minorities in Burma—that was what we alluded to when we said that there was “over-optimism” about the pace of democratic reform in that country. I also agree that conditions simply are not yet there, and—to put it bluntly—are unlikely to be there in the foreseeable future, to allow any significant voluntary return of the Rohingya to Burma.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome my hon. Friend’s report—he is a good friend—and I thank him for continuing the work that many of us have taken up on the Rohingya cause and for the work of his Committee in broadening out into various different areas. Does he agree that there are a series of problems in Burma, not least the multiple insurgencies involving different ethnic groups? Focusing on the Rohingya is essential not just because it speaks to Burma, but because it speaks to the wider problem of diaspora and refugee populations. Getting this right is essential, not just for solving the problems in Burma, but for addressing many of the other problems that arise in refugee situations around the world.

Stephen Twigg: I thank my hon. Friend, the hon. Gentleman who Chairs the Foreign Affairs Committee, and I pay tribute to that Committee for the report it published late last year. We sought to develop and supplement that report, rather than repeat it, and the work of that Committee in describing this crisis as a crime against humanity was an important contribution to the debate. He is right: this crisis is important in its own right, but there are enormous lessons for situations in other parts of the world, including in parts of Africa where there is a massive displacement of people, and the world seems incapable of getting its solutions right.

Richard Burden (Birmingham, Northfield) (Lab): I congratulate my hon. Friend on the powerful way he introduced the Committee’s report. Does he agree that one of the most tragic things for many Rohingya who have fled Burma is the fact that their relatives have simply disappeared? Paragraph 138 of the report suggests that the International Commission on Missing Persons should get involved in Burma and Bangladesh and use their data-matching techniques to try to identify the remains of those who have disappeared, and—hopefully—get to the truth about those crimes.

Stephen Twigg: My hon. Friend is an active and valued member of the International Development Committee, which he rejoined having previously served on it in a predecessor Parliament, and he is right to draw attention to our recommendation on that important issue. Understandably, in a crisis that has moved so quickly and at such scale, there has been a focus on immediate humanitarian relief, but it is vital that those questions of justice and accountability are also addressed. The report by the Foreign Affairs Committee addressed those issues in some detail. Our report contains an important addition, and I thank my hon. Friend for reminding the House of that.

Mr Speaker: I served with the hon. Member for Birmingham, Northfield (Richard Burden) on the International Development Committee for—if memory serves me correctly—four and a half years, and I can
testify to the truth and accuracy of what has been said by way of a tribute to his work and his passion for the issues raised.

Robert Halfon (Harlow) (Con): I thank the hon. Member for Liverpool, West Derby (Stephen Twigg), and his Committee, for their remarkable work. Aung San Suu Kyi was a previous heroine of mine. Has this report analysed why there has been no action from her, and why she has been so unusually disappointing in the tragedy that has occurred?

Stephen Twigg: Like the right hon. Gentleman, everyone on the Committee felt a huge sense of disappointment at the lack of words from Aung San Suu Kyi. It was not the main focus of our inquiry, but we did take evidence on it, as is reflected in the report. Even at this stage, she has an opportunity to speak out and provide leadership. The evidence that we and the Foreign Affairs Committee took from Mark Farmani, from Burma Campaign UK, was clear that her voice could make a real difference. Of course, we are also saying that in the end it is the military in Burma who hold the reins of power and that it is for them to change, but if she spoke up, I think it would be more likely that they would change their position.

Chris Law (Dundee West) (SNP): The report is clear in highlighting where the UK Government have been slow to act. I hope they have been listening and, in particular, will now allow these 70 experts in gender-based violence to get out there as soon as possible. Does the Chair agree, however, that particular attention must be given to a clear and decisive plan for repatriation, not just on security and safety but on the legal status of every Rohingya who voluntarily goes back to Burma, and that the international development agencies need to have oversight at each and every stage?

Stephen Twigg: I pay tribute to the hon. Gentleman. He is a new member of the Committee, having joined after last year’s election, and serves with distinction. He is absolutely right that if there is to be any sort of process of repatriation we need assurances about the legal status made available to refugees that have returned or who have returned—that need to be resolved. The international community needs to take this issue seriously and engage with the Burmese Government on it. He is right to remind the House about the sheer scale of this displacement over a very short period. That is partly why I pay tribute to the Bangladeshis people and Government. In reality, the vast majority will be there for some time, so there is a big job of work to do to ensure that services such as health and education are made available to refugees who—let us face it—are likely to be in Bangladesh for years.

Tony Lloyd (Rochdale) (Lab): This is an excellent report, and my hon. Friend rightly praises the Government for Bangladesh for their efforts, but it needs to be recognised that they need not validate the actions of the Burmese army in recognising the permanent status of the Rohingyas. That is important if we are to move to the next stage of giving support to the 50,000 women who will give birth this year after being raped and providing more permanent shelter before the cyclone season. This is an excellent report, but we have to move to that next stage and give support to the Bangladeshi Government and people.

Stephen Twigg: My hon. Friend is absolutely right. No two situations are the same, but we can learn lessons from other countries that have taken large numbers of refugees. One of the proposals that was made to us, and which we highlight in the report, was for the creation of a special development zone in Bangladesh, similar to what has happened in Jordan, to enable job opportunities for both the Rohingyas and, crucially, the host population, the local Bangladeshi population.

Paul Flynn (Newport West) (Lab): All of us who visited the Kutupalong site had an experience that was overwhelming and heartbreaking. We heard at first hand the terror of the refugees at the possibility of repatriation, and the only possible practical way to achieve that is with support from the United Nations or the British Army. We have a wonderful record of peacekeeping in these impossible circumstances. Is that not the best way, although a very difficult way, to go forward and to ensure there can be a long-term solution?

Stephen Twigg: I thank my hon. Friend. In a sense, that question takes us back to the question from the hon. Member for Beckenham (Bob Stewart) at the beginning. I absolutely agree. One of the dangers with these crises is that they hit the headlines for a time, and then the attention of the media and the political world moves on. It is vital that we do not allow that to happen. This is about addressing the crisis now but also being there to support long-term solutions, and a potential role for UK peacekeepers is part of that.

Kate Green (Stretford and Urmston) (Lab): I thank my hon. Friend for his statement, and the Committee for this important report. He and other colleagues have talked about the trauma that has been suffered by victims of sexual and gender-based violence and by
those who have lost relatives without knowing whether they will ever know where their remains are buried. Does my hon. Friend agree that, in addition to the immediate need for humanitarian and medical aid, there will be a real need to give priority to long-term psychotherapeutic services for the victims in Bangladesh and for those who return to Burma?

Stephen Twigg: I very much agree. [Interruption.] Welcome to the Chair, Madam Deputy Speaker. I raised this issue yesterday at Department for International Development questions, in the context of Yemen. The excellent organisation War Child has made the suggestion that at least 1% of all humanitarian aid should be spent on mental health and psychosocial support. For anyone who has been through this sort of conflict, and for children in particular, it is vital that they get that support.

The Minister of State, Department for International Development (Alistair Burt): I do not have a question, but following agreement with Mr Speaker a moment ago, I just want to say thank you to the Chair of the Select Committee for his work and to the members of the Committee and those who have spoken today. There will be a response from the Government in due course in the usual manner, but, of course, the matter will be a subject for discussion for some time to come.

The Committee has rightly put a spotlight on a situation that is unlikely to ease soon—a desperate situation. I want to assure the House that it is a matter of focus every single day for the Foreign and Commonwealth Office and DFID. That is true of not only the plight of the Rohingya at the moment—I was in Geneva last week to speak to international organisations about that—but the need for a solution for them, and that remains a priority for the Government. I thank the hon. Gentleman and colleagues again for the report.

Backbench Business

RBS Global Restructuring Group and SMEs

Madam Deputy Speaker (Mrs Eleanor Laing): Before we begin today’s debates, I should point out to the House, though it is obvious, that a great many people wish to speak this afternoon, and we obviously have limited time—just under five hours—for two important and heavily subscribed debates. Sometimes on Thursdays, we are a little bit lenient with time, but the recommendation from the Backbench Business Committee is that the person moving a motion should take around 15 minutes of the House’s time. Over the last few weeks, that has risen to well over half an hour, but today I am going to enforce the 15-minutes—or thereabouts—limit. That means about 17 minutes, not 27. I should also warn the House that, after the motion has been moved, there will be a limit on Back-Bench speeches, initially of five minutes, but that is likely to fall to four minutes. This is good; it is because there is so much interest in the subjects that we are debating this afternoon.

12.4 pm

Clive Lewis (Norwich South) (Lab): I beg to move, that this House is deeply concerned by the treatment of small and medium-sized enterprises (SMEs) by the Global Restructuring Group of the Royal Bank of Scotland; notes that there are wider allegations of malpractice in financial services and related industries; believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds; further believes that a solution requires the collective and collaborative effort of regulators, Parliament and Government; and calls for an independent inquiry into the treatment of SMEs by financial institutions and the protections afforded to them, and the rapid establishment of a tribunal system to deal effectively with financial disputes involving SMEs.

May I echo your comments, Madam Deputy Speaker? As generous a soul as I am when it comes to interventions, I will limit the number I take to two or three, if at all possible, because I understand that Holocaust Memorial Day is also a crucial issue that everyone here would want to see debated fully afterwards. None the less, there are a lot of Members here, on both sides of the House, who want to speak about an issue that has deeply affected many of their constituents and small businesses across the country. I thank hon. Members for their support for this important debate, as well as the Backbench Business Committee for allowing the time, particularly the Chair, my hon. Friend the Member for Gateshead (Ian Mearns). He has made it clear to me and others that he was keen for the debate to take place, and here it is.
As the details of the various scandals that have hit our financial services sector trickled out over the last few years, I think we all started by treating the stories we heard with a certain scepticism. They just did not seem to make sense. Indeed, when I read letters from one of my constituents, my first reaction was to think that the story he was telling simply could not be true. “No bank could have dared to behave in such a brazenly outrageous way,” I said to myself. My constituent, Andi Gibbs, was forced by his bank, RBS, to buy an interest rate-hedging product, which should have protected his business against rising interest rates, but in fact drained it of cash. RBS then placed the business into its Global Restructuring Group. He lost his business, his home, his marriage and, I think it is fair to say, almost his sanity. His crime: nothing more than being an entrepreneur who banked with RBS.

**Nick Smith** (Blaenau Gwent) (Lab): Does my hon. Friend agree that the RBS Global Restructuring Group had real cultural problems? When its top tips included the advice, “Rope: Sometimes you just have to let customers hang themselves”, there is clearly something very wrong occurring.

**Clive Lewis**: I agree with my hon. Friend. We know that 16,000 small businesses were put into GRG from 2008, and the vast majority were liquidated. That tells us all we need to know. This was meant to be somewhere from which they could try to come back as viable businesses, but far from being an intensive care unit, it was more like an abattoir, where they were stripped and taken apart.

**Mr Philip Dunne** (Ludlow) (Con): Does the hon. Gentleman agree that one reason why many Members found this story almost unbelievable—a story that affects so many of our constituents—was that the conditions found this story almost unbelievable—a story that affects so many of our constituents—was that the conditions of any settlements agreed by the GRG with businesses that were in trouble included gaggling orders, or confidentiality agreements, which have prevented them from speaking openly about the plight that they have faced?

**Clive Lewis**: I agree with the hon. Gentleman. Indeed, some businesses ended up in GRG simply for saying, “I’m not happy with my bank. I want to move.” When we talk about how they were “stressed”, we should also be aware that the bank used this term as it saw fit. Many businesses were treated appallingly, and the hon. Gentleman raises the point very clearly.

As time has gone on, we have discovered that Andi Gibbs is not alone. He is not even one of hundreds, but one of thousands. As many Members will be aware, the stories keep coming, backed up by evidence. It has now become clear that we have not just a series of individual scandals, but a full, systemic failure that needs to be addressed by this House. However, I want to focus briefly on what got us here and, more importantly, how we work toward a constructive solution.

**Sir Vince Cable** (Twickenham) (LD): Does the hon. Gentleman share my disgust that, four and half years after I referred, as Secretary of State, many of those cases—the Tomlinson report—to the Financial Conduct Authority, we still have only an interim report? Is he aware that the BBC has seen a copy of the final report? It contains the following incriminating phrase: “Management knew or should have known that this was an intended and co-ordinated strategy and that the mistreatment of business customers was a result of that.”

and the head of GRG responsible for that policy, Mr Nathan Bostock, is now chief executive of Santander.

**Clive Lewis**: That is a very valid point. I hope we will hear from the Government today that there will be action on this issue. Owners of small and medium-sized businesses, including many of my constituents and those of other Members, are tired of the foot-dragging that has gone on for long enough. The Treasury Committee supports the report’s publication, and even the Financial Conduct Authority would probably conclude that it would be far more helpful for it to be published. Its publication is long overdue. People need to see the full extent and scale of what RBS and, potentially, other banks have been up to.

**Melanie Onn** (Great Grimsby) (Lab): Does my hon. Friend give way?

**Clive Lewis**: I will give way one final time.

**Melanie Onn**: My hon. Friend said earlier that this situation affected failing businesses. My constituent Andrea Willows is in the public Gallery today. Her business was not failing, but the bank absolutely refused to provide any kind of funding for a shorter-term loan payoff, attributing it all to a larger loan pay-off instead. She had to come up with the full cost of multiple loans to pay off about £635,000, which made things completely impossible for her. That is exactly what these banks have done: they have made it impossible for hard-working people to continue to run their businesses although they were not in trouble in the first place.

**Clive Lewis**: I agree with my hon. Friend. During my time on the all-party parliamentary group on fair business banking and as a Back-Bench MP before that, I heard many similar stories of companies that had been forcibly distressed, or had been described as being distressed by the bank and then carved up like a Sunday roast.

**Mrs Madeleine Moon** (Bridgend) (Lab): Will my hon. Friend give way?

**Clive Lewis**: I will continue.

As many Members will know, the stories keep coming, backed up by evidence. It is now clear that we are seeing not just a series of individual scandals, but a full, systemic failure that needs to be addressed by the House.

Let me now focus on how we can move forward. The APPG on fair business banking has identified a series of achievable and transformative objectives that will support our business community. My focus today, however, will be on dispute resolution, restitution, and the need for an independent financial services tribunal with the teeth that will enable it to tackle complex and, for the individuals involved, life-changing scenarios.

I want to touch briefly on the past, because it is important to separate the crises into two distinct phases. The first crisis, in 2007-08, was a crisis of liquidity. The second, which we are discussing today, is a conduct crisis that not only spans the financial services industry, but extends to the role of the professional advisers who
are such an integral part of the system. They are Law of Property Act receivers, surveyors, accountants, insolvency practitioners and solicitors. They are all fundamental parts of this matrix, and I will return to them shortly.

The recent section 166 FCA report on RBS GRG concentrates on the years between 2008 and 2013, when banks were under extreme pressure to shore up their balance sheets. However, that behaviour did not spring up spontaneously. Senior banking insiders who worked in RBS between the mid-1990s and the crisis are clear that there was such a modus operandi in GRG for years before the liquidity crisis. Indeed, GRG and its predecessor, Specialist Lending Services, had been known as the “mortuary for businesses” since the late 1990s. During those heady days of liquidity, businesses might have had an opportunity to re-bank with competitors, but once the liquidity crisis hit, that was no longer an option. Ever since then our business community has had to deal with the consequences, which have been ramped up to an industrial scale.

Although the title of the debate refers to RBS GRG, it is just a symptom of the underlying issues. In the course of the APPG’s work, it is hard to identify an institution that has not found itself at the centre of a conduct scandal, and I am sure that other Members will give many examples today. The APPG has come across similar instances among the major banking institutions. The HBOS Reading fraud, as a result of which bankers and their associates were jailed for a total of 47 years before the liquidity crisis. Indeed, GRG and its predecessor, Specialist Lending Services, had been known as the “mortuary for businesses” since the late 1990s. During those heady days of liquidity, businesses might have had an opportunity to re-bank with competitors, but once the liquidity crisis hit, that was no longer an option. Ever since then our business community has had to deal with the consequences, which have been ramped up to an industrial scale.

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Jeremy Quin (Horsham)(Con): Will the hon. Gentleman give way?

Clive Lewis: I will make some progress first.

In the HBOS case, as with GRG, quite simply, everyone thought that they would not get caught, and so it escalated. We have to ask ourselves how it is possible that this has gone on for so long, completely unchecked. We should have caught it much sooner, but instead it has been left to a dedicated group of individual victims such as Paul and Nikki Turner—and to a relentless pursuit by journalists such as Andy Verity, Joe Lynam, Siobhan Kennedy, James Hurley, Jonathan Ford, Ruth Sunderland, Tom Warren, Ian Fraser and Heidi Blake, to name just a few—to keep the issue alive. That is the journalism that the British public need: journalism that investigates the acts of the powerful and holds them to account. It is the fourth estate playing its rightful role in a healthy, functioning democracy.

Even now, as we begin to get our heads around the issue, we are still not addressing it properly. Why? Because our response thus far has been piecemeal. We must take a step back, and look at the entire ecosystem in which such behaviour managed not just to survive, but to thrive.

Let me briefly remind the House of the possible scale of the scandal. At its peak, GRG held assets of more than £90 billion on its books—all the businesses that were put into special measures. We cannot know for sure how many of those businesses would have survived in another, more benign environment; that is a “how long is a piece of string” question. Indeed, some businesses were placed in GRG for no other reason than the fact that they had made a complaint against the bank. We have to ask ourselves how many of them should have been there in the first place.

Much has been made of the fact that the businesses were “distressed”, but that is a subjective and ambiguous term. We do know that 90% of GRG-administered businesses never made it back to mainstream banking. That is a very high proportion. The cost is immeasurable, but we believe it to be in the tens of billions. Let us be clear: that is the potential size of the injustice that has taken place in our country. If it is indeed that big, it may be the largest theft anywhere, ever. If we begin to take into account the opportunity costs to the economy of business failure and businesses that have been unable to grow—if we begin to include the loss of jobs, homes, health, relationships and taxes—we see that the costs are likely to be immeasurable.

Scandals on this scale cannot happen in a vacuum. The role of Law of Property Act receivers, solicitors, insolvency practitioners and surveyors must be considered. Even in circumstances in which every person playing a part has played to the letter of the law, the outcomes have been catastrophic. We have to ask ourselves how that is possible.

As things stand, a business owner understandably assumes that the whole system works effectively, and that when it fails, he or she will have access to justice. That is a logical assumption for those of us who believe that all aspects of our lives should be covered by the rule of law. Anything else is little better than the Wild West, and is no basis for the stable and successful economy that Members in all parts of the House want to see.

The House must tackle the inherent inequality of power in the relationship between businesses and their lenders. From the moment when a business signs a one-sided contract laden with onerous and ambiguous contractual terms, through its life cycle, and into—potentially—insolvency, there is nowhere independent and affordable for that business to go if it is in dispute with its lender. In all cases, businesses must rely on the limited scope of the financial ombudsman, various trade associations and individual institutions to handle complaints. What is the outcome? The public, and businesses, see a group of large, powerful institutions and trade bodies operating from behind castle walls, with no transparency or external accountability, save an expensive and prohibitive court process that is beyond all but the most well-resourced. Justice, for them, is out of reach, and RBS knows that.

When ad hoc redress schemes are set up to deal with scandals such as interest rate hedging products, GRG and HBOS Reading, they are wholly unsatisfactory and largely discredited. They appear to be a cynical exercise in limiting financial institutions’ liabilities rather than a genuine attempt at restitution. The fact that the entire exercise is conducted behind closed doors and the banks are allowed to act as judge and executioner only fuels suspicion. The use of an “independent person”, whom the bank itself appoints, will never instil trust. It is akin to a burglar being allowed to pick the members of the jury for his trial.

To add insult to injury, in the cases of the interest rate hedging product scheme and the RBS GRG scheme, the fact that insolvency law allows the institutions to pay...
themselves back for their own misconduct brings the process into the realm of farce. It is a system that does not instil confidence. The best our institutions can say is, “Trust us, we’re doing the right thing; but if you don’t like it, sue us.” We have only to look at the content of the debate today to see that self-regulation alone is simply not enough.

I want to be clear: those of us who support this motion are not calling for extensive regulation. We are, however, calling for accountability, transparency and justice, because without proper transparent accountability there can be no trust. Ultimately, trust is what the financial sector depends upon; if we undermine and pollute it, it will never survive in the long run.

The cold fact is that right now in this country the trust that once existed has been shattered. This distrust has become so severe that it is affecting business confidence and productivity. The Government’s own industrial strategy cannot be delivered on these shaky foundations. Simply, if we are to move on, we need to get a handle on the issues and look at the whole ecosystem for our businesses.

That is why today we are calling for an inquiry that cuts across departmental lines and looks at the protections afforded to businesses during their life cycle. That way we can map out a long-term plan to ensure sufficient safeguards to prevent such things from ever happening again. More urgently, we are calling for a tribunal system to be set up to deal with financial disputes, a system analogous to that which already exists for employment tribunals. That does not require any primary legislation. The legislation already exists to enable the rapid establishment of a tribunal; it just needs the political will to carry it through.

Andrew Bailey at the FCA has openly supported the tribunal idea, but we are concerned about the recent focus on extending the remit of the Financial Ombudsman Service as this is not the right solution for what is a very complex problem. Once established, this tribunal system will help to ensure that banking works better, not just in the interests of its customers, but for the banking industry itself. This is important because we all acknowledge that the financial sector is critical to the UK’s future prosperity, and the relationship that SMEs have with their bank is a central part of that. In an effectively regulated economy, the relationships between SMEs and the finance sector should be symbiotic, not parasitic; each supports the sustainable growth and the success of the other. But that is not where we are.

It is time that the Government, the FCA and Parliament step up to the plate to ensure that businesses get fair treatment and access to affordable justice. Our businesses deserve nothing less. Our economy requires nothing less, especially at this critical time with Brexit approaching.

This matter has been left to drift in the regulatory and legislative wilderness for too long. The consequences have been catastrophic not only to individual lives but to confidence in our entire financial system. In the wake of Brexit, the introduction of a tribunal system will help to rebuild the strong relationships that once existed between SMEs and their banks, helping the growth of our economy and the international reputation of our financial sector.

It is, however, important to say that constructive progress has been made. The banking futures project brought together stakeholders across the spectrum to produce a coherent and ambitious plan for rebuilding trust. If Members have not read it, I would certainly suggest that they do so. The all-party group on fair business banking and finance has formed a working group, which will be formally announced in the near future, to discuss and look at this area. We should have no doubt that this is an important first step for businesses and industry, but it is just one part of the jigsaw, for with a problem this big, only a systematic, open-minded challenge to the status quo will work for businesses, our banks and our economy. This is an opportunity for us to show the business community and, indeed, the country that behind the lively exchanges that take place here and are seen on television, we as parliamentarians can put aside political point scoring and come together and work toward a common goal. I therefore commend this motion to the House.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. There will now be a time limit of five minutes.

12.24 pm

Nicky Morgan (Loughborough) (Con): It is a pleasure to follow the hon. Member for Norwich South (Clive Lewis). I congratulate him on securing this important debate, with the support of the right hon. Member for North Norfolk (Norman Lamb), at the Backbench Business Committee hearing. The fact that so many Members are present on a Thursday for this debate shows how many of us have constituents who have been affected by the RBS Global Restructuring Group, and their problems are the reason why we are here. The debate is being watched closely both in this House and outside. I pay tribute to my constituents who have been affected and the many other people who have contacted me. As the hon. Member for Norwich South said, people have lost their homes, their health and their marriages, and in some cases far more than that.

As we heard from the former Business Secretary, the right hon. Member for Twickenham (Sir Vince Cable), it is now more than three years since the publication of the Tomlinson report, which led to the FCA’s decision to appoint an independent investigator to look in detail at what happened at GRG. The previous Treasury Committee, under the chairmanship of Andrew Tyrie, took evidence from Mr Tomlinson and RBS. RBS then had to apologise to the Committee for giving misleading evidence about the role and objectives of GRG. The Committee pressed for disclosure of the findings of the FCA’s independent review. The new Treasury Committee in this Parliament, which I am privileged to chair, has been determined to continue the work of its predecessor, hence the number of documents tagged with this debate listed on the Order Paper.

Luke Graham (Ochil and South Perthshire) (Con): Does my right hon. Friend agree that apologies simply are not good enough? For the many of our constituents who have suffered in their business interests and personal lives, we need this inquiry and tribunal so that we achieve justice for our constituents.

Nicky Morgan: My hon. Friend makes an important point with his customary passion, and he is absolutely right. I will come on to talk about the tribunal, but he is
right that there are significant losses, some of which cannot be quantified. However, sometimes just starting by saying sorry can take the sting out of the situation, but we are still waiting for that.

Faced with the FCA’s continued refusal to publish the section 166 report, my Committee appointed an independent QC to review the summary and to make sure that it was an accurate reflection of the full report with no material omissions. The FCAs final summary was finally published on 28 November 2017. Although it is written in neutral and technical language, it exposes a litany of poor conduct, mentioning “insensitive, dismissive and…aggressive” relations with customers and “a culture of deal making…that set little store by the interests of customers”.

It also referred to “inadequate and inappropriate” complaints handling and a failure to handle “inherent” conflicts of interest—the list goes on. Just yesterday, in a letter to me, RBS published its 2009 “Just Hit Budget!” memo, which we had already heard about. That lifts the lid on a culture at RBS, however much it tries to distance itself from that.

Given all that, it is unfortunate that the FCA and RBS decided to state that “the most serious allegations made against the bank have not been upheld” when the FCA published its interim summary. I think we all agree that what happened is still very serious, and I am sure that many firms agree.

It is also disappointing that RBS—again, pressed by the Treasury Committee—has disclosed that it does not accept many of the findings. In particular, it disagrees that inappropriate treatment of SMEs was “systematic or widespread”. RBS appears to be isolated on this, with the FCA supporting the conclusions of the independent review.

The Committee will take evidence from RBS and Promontory, the firm that conducted the review, very shortly. I encourage all Members who have not yet sent us evidence on behalf of constituents to do so. While the Treasury Committee does not consider individual cases, we will keep RBS’s feet to the fire over the functioning of its redress scheme.

I agree with the spirit of the comments of the hon. Member for Norwich South, too, because he is right to look at not just what went wrong, but the future, as the second half of the motion does. For small, financially distressed businesses, as he said, what we have is not a partnership of equals, but an unbalanced and potentially exploitative relationship in which banks can use their legal and financial firepower to ensure that their interests prevail over those of their customers.

As we have heard, the FCA told the Committee in October last year that it is considering broadening the scope of the Financial Ombudsman Service, but there is concern that the Government might not be prepared to consider a legislative solution. I would welcome the Minister addressing that point. The House will have to seriously consider whether the FCA solution is merely a sticking plaster, and if so whether the responsibility falls to us, as parliamentarians, to consider what legislation might be required.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I have read the exchange about this matter between the right hon. Lady and the FCA. Does she agree that it is a real concern that that correspondence conveys the impression that the FCA is rather intimidated by the potential actions of RBS? Should it not be the other way around?

Nicky Morgan: The hon. Gentleman makes a valid point. Yes, of course it should be the other way round—the FCA is the regulator. While this is about an individual case, it is of course also about the wider message that is sent about the system of regulation and lending to SMEs.

As we have heard, one of the solutions could be a new dispute resolution regime for SME financing. I recently discussed such a proposal with my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and the all-party group on fair business banking and finance, which has done important work in this area, on which I congratulate it. Another possibility would be to bring corporate lending of a certain size within the regulatory perimeter, thereby allowing the FCA to consider taking action against firms directly for any failings. Those are not mutually exclusive suggestions. I would welcome the Minister’s commitment to publish the Treasury’s analysis of the costs and benefits of moving the regulatory perimeter on small business lending. I would also welcome confirmation that the Treasury does not rule out a legislative approach to establish a new tribunal or to introduce a perimeter change, if either were deemed appropriate.

The GRG was a warning that all was not well, but at the moment only the advent of the FCAs senior managers regime is preventing such cases from arising again. I hear constituents and others saying that they will never trust a bank again and never ask a bank for money again, and this should be a chilling moment for all banks involved in lending to and working with SMEs. Bank lending is an important part of this country’s financial infrastructure, which was why the then Government stepped in during the financial crisis in 2008. I assure the House that the Treasury Committee will continue to consider the options available to provide further protections to SMEs in their dealings with the banks.

12.31 pm

Jo Stevens (Cardiff Central) (Lab): I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing the debate. It is also a real pleasure to follow the right hon. Member for Loughborough (Nicky Morgan).

For me, the most alarming aspect of the whole issue of the banking sector’s treatment of SMEs is the conspiracy of denial that has existed between banks and their professional advisers. That has been reinforced by the very institutions that are supposed to regulate the financial sector. My constituent Mr Kash Shabir is a victim of what is at the very least grossly unethical practice—it is much more likely to be criminal fraud—at the hands of Lloyds bank, the same bank that was behind the HBOS Reading fraud. His case is a lead case, having formed the backbone of an inquiry by the then Business, Innovation and Skills Committee in March 2015, under the chairmanship of my hon. Friend the Member for
West Bromwich West (Mr Bailey), and of two Westminster Hall debates that I led, on 16 September 2015 and 18 April last year.

When lending to Mr Shabir was no longer attractive to Lloyds after the financial crash, it reneged on its lending commitment, relying on an alleged breach of the loan-to-value covenant. That breach was then justified by a down-valuation of his property portfolio, which was worth in excess of £10 million. The valuation was provided by Alder King LLP, a firm of chartered surveyors whose employees were embedded in Lloyds bank and then rewarded with lucrative LPA—Law of Property Act 1925—work. The substantial evidence that I have considered over the past three years leads me to conclude that criminal acts have taken place, followed by a cover-up by the parties concerned.

The senior management of Lloyds, Alder King and the Royal Institution of Chartered Surveyors have all refused to meet me and Mr Shabir to discuss his case. None of them has the guts to sit in a room with me and my constituent to listen to his legitimate complaint. The approach taken—primarily by Lloyds, but also by Alder King—has been to use the gross power imbalance that exists between SMEs and the big banks to bully and belittle SME victims to the point at which at least one victim has taken his own life. The big banks hold all the cards. The senior management of Lloyds, Alder King and the private equity firm that bought Lloyds in the last financial crisis—private equity fund TPG—has been to use the gross power imbalance that exists between SMEs and the big banks to bully and belittle SME victims to the point at which at least one victim has taken his own life. The big banks hold all the cards. The substantial evidence that I have considered over the past three years leads me to conclude that criminal acts have taken place, followed by a cover-up by the parties concerned.

Jeremy Quin: The hon. Lady is making a powerful speech. She and the hon. Member for Norwich South (Clive Lewis) have both referred to the HBOS Reading case, in which guilty verdicts were delivered on 30 January last year. Does she share my concern, and that of my constituents who have been affected by this, that there has still been no settlement with Lloyds bank a year after those verdicts were delivered? This reinforces what the hon. Lady is saying.

Jo Stevens: I absolutely agree with the hon. Gentleman.

Statutory limitation periods are run down through deliberate delays by the banks. They know that they hold all the financial cards. How can any of their victims afford to litigate to seek proper redress when they have already lost their businesses and homes as a consequence of the banks’ actions?

Melanie Onn: That is absolutely correct. Earlier I mentioned the case of a constituent who has spent at least £45,000 trying to tackle an injustice of which she is so undeservingly the victim. That has used up all her husband’s firefighter pension.

Jo Stevens: My hon. Friend provides a powerful example of that gross imbalance of power. Legal expenses insurance is also extortionate and therefore out of the question. My constituent was quoted a premium of more than £1 million for insurance cover for his litigation against Lloyds. These are deliberate tactics by the banks to prevent their victims from getting redress, and they absolutely stink.

All the time this is happening, Lloyds senior executives present a public face of claiming to know nothing of what has gone on. I have copies of letters written by Members of this House in 2014 to the Lloyds chief executive and the regulators, formally alerting them—if they did not already know—to the irregularities in that bank. Lloyds itself commissioned an internal report in September 2013—the HBOS and Lord Turnbull report—which highlights many acts of criminality, as well as confirming that the bank knew about the HBOS fraud as far back as 2008. The chairmen and the chief executive of Lloyds have both maintained that they had no knowledge, but I do not believe those assertions to be accurate. This prompts the question that if the bank had knowledge of the fraud in 2008 and the HBOS convictions took place in 2017, why did the bank pursue personal guarantees on those fraud victims for nine years until the case went to trial? There can be only two answers to that question: either the bank is entirely incompetent; or those running it have not been honest. I am calling today on the Lloyds chair and the board to publish that report in its entirety.

Following the conviction of the six HBOS individuals who are now serving a combined prison sentence of 48 years, why has there been such a failure by Lloyds to compensate its victims? Similar practices have been shown to have been prevalent in the Bristol offices of Lloyds, but as yet no police force has carried out a proper forensic investigation. Anthony Stansfeld, the police and crime commissioner behind the successful HBOS convictions, is determined to see a full and proper investigation into Lloyds Bristol and has passed evidence to Avon and Somerset police. I am calling today on its chief constable to expedite an investigation.

As evidence of abuse by the banks and of conspiracy with their advisers grows by the day, the banks cannot say at the highest level that they were unaware of what was happening and somehow insulated from the abuses that were taking place. The chief executive of Lloyds, Mr Horta-Osório, has made many public statements—that to the Evening Standard on 17 May last year is just one example—saying that he was unaware of the victims’ complaints before the Reading fraud trial. However, I understand that the Turnbull report confirms both his and the Lloyds board’s knowledge of HBOS criminality. I also have a letter dated 22 May 2014 from the right hon. Member for Twickenham (Sir Vince Cable), written when he was Secretary of State for Business, Innovation and Skills, confirming that he met Mr Horta-Osório to discuss my constituent’s case, and that Mr Horta-Osório had assured him that “he had looked into the case personally”. It appears that Mr Horta-Osório is not as remote from these victims’ cases as he claims.

It is imperative that we have a full inquiry into the actions of Lloyds and the other banks we have heard about today, and that should include a consideration of individuals’ culpability. It should also compel full recompense to those who have been affected by the abuse. Such full recompense should be the subject of genuine independent third-party administration, not the charade that has developed around Lloyds’ handling of the victims of the HBOS Reading abuse. That is why I support the establishment of an independent tribunal system and the motion before the House.

12.39 pm

Mr William Wragg (Hazel Grove) (Con): I congratulate the hon. Member for Norwich South (Clive Lewis) on securing this debate. I was pleased to be a member of
Mr Topping, and hundreds of business owners like him, tell the country we stand up for hard-working people. 

I have a confession to make: I am a capitalist. But I am a capitalist who believes in a system that depends upon sound financial management. The dishonest practices and systemic mismanagement by RBS in this case fundamentally undermine capitalism. We know that the behaviour of the bank was wrong, both legally and morally, as reported and evidenced in the Tomlinson report and the FCA’s skilled person reports. The injury to individual businesses and the business banking system as a whole has been compounded by the system of redress, which is judged to be inadequate by many.

Like many hon. Members on both sides of the House today, I have constituents who have been affected by this case. Just one such example of malpractice was the forced liquidation in 1998 of Pickup and Bradbury Ltd, a company formerly owned by a constituent of mine, Mr Eric Topping. Pickup and Bradbury was a building and joinery company based in Stockport. It was a business customer of RBS and, like many other businesses, used an overdraft to manage its cash flow. In 1998, the overdraft was £345,000—not an unreasonable amount for a business of that scale—and the company had been happily trading and growing under that arrangement for several years. Then, in February 1998, RBS wrote to Mr Topping saying that it wanted to reduce the overdraft facility to £200,000 and, moreover, that the company owed the bank over £700,000—a figure that is still in dispute today.

Unable to operate under more restrictive conditions, the company was moved into RBS’s Global Restructuring Group, according to RBS, to help it to repay the money it owed. While under the administration of the GRG, the bank’s advisers consistently undervalued the company’s assets, while simultaneously overvaluing its liabilities, to support its claim the company was unviable and, in July 1998, it forced Pickup and Bradbury into receivership. The GRG engineered the fall of the company by demanding aggressive repayment plans and allowing insufficient time for company directors to appoint independent valuers to prove the worth of the company’s assets and its solvency. Mr Topping believes the difference between RBS figures and his own was around £2 million.

Knowing that time is short and that many right hon. and hon. Members want to contribute, I will move on from that case and put some questions to the Treasury Bench. A scandal such as this, just like LIBOR before it, is yet another reason why people and businesses lose faith in the banking sector. Faith in the banks is essential, for faith in our whole capitalist system, which I have hitherto been proud to defend. This scheme was organised fraudulent asset stripping on a massive scale, leading to the forced liquidation of many businesses—companies that people had poured a lifetime of effort into and which were their livelihoods. In the case of my constituent and many others, those businesses were their nest eggs for retirement. RBS likely made billions from the activity, but how many lives and livelihoods did it crush in the process?

We on the Conservative Benches in particular rightly tell the country we stand up for hard-working people. Mr Topping, and hundreds of business owners like him, are just such hard-working people, yet they have had their assets stripped by RBS and now have very little to show for it. It is time that we stood up for them. I have some questions for my hon. Friend the able and newly appointed Economic Secretary to the Treasury. While Her Majesty’s Government have a controlling stake in RBS, what is he doing to ensure that the bank does the right thing by its former customers, both by the law and by the sense of common decency on which all civilised business ultimately depends?

Tony Lloyd (Rochdale) (Lab): The hon. Gentleman is making an excellent speech, but may I ask him to widen his ambition? My constituent Derrick Cullen was the victim of Lloyds bank, so it is clear that the conspiracy was not confined to one bank, but was industry-wide—the lies spread across the industry. On that basis, the Government should do more than use their powers on a nationalised bank; the action must be systemic across the whole banking system.

Mr Wragg: The hon. Gentleman is right to highlight the broader practice in the banking sector. I have confined my remarks to RBS given that it was a constituency case, but he is absolutely right and perhaps draws on the work of the all-party parliamentary group on fair business banking and finance. I pay tribute again to the hon. Member for Norwich South and to my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for their assiduous work on that APPG.

The hon. Member for Rochdale (Tony Lloyd) is generous in allowing me an extra minute through his intervention, but I have only one more sentence to say to the Minister. I will put it as simply as this: what does my constituent have to do to get back the money that was stolen from him?

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I remind the House that there are no extra minutes. There are only 24 hours in a day, and we cannot add more minutes by taking interventions. The minutes have to come from somewhere else. Gosh, everyone could do with a spell in the Treasury.

Mr Campbell: Perhaps I should begin with the confession that I am not a capitalist, but I do share the hope of the hon. Member for Hazel Grove (Mr Wragg) for fairness. I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing this debate. The motion primarily relates to RBS, but it acknowledges that the problem goes far wider than just one bank. At the heart of the motion is the proposition that several banks deliberately managed the closure of businesses to protect their own interests and in doing so prioritised the realisation of assets over any other outcome. The Tomlinson report, about which we have already heard, suggested that the banks had a deliberate strategy to artificially distress viable businesses, to engineer loan-to-value ratios to cause a breach and to revalue assets downwards to trigger a default. The banks had all the power and businesses had no meaningful recourse, and professional advisers were either ineffective or took the side of or even aided the banks.
In the brief time available to me, I want to highlight two constituency cases. The first is Mr Graham Stewart, a builder and property developer, who was courted for his business by Lloyds bank in 2003. His accounts were successfully managed locally and regionally at first, but then the fateful decision was made to transfer his accounts to the Bristol business support unit, and that is when his troubles began. The review periods on his loans were shortened, repayments were doubled and charges were added at every single stage. He was told to sell some properties and to use Alder King, Lloyds chosen valuer, which systematically undervalued his properties. When he complained, his loans were called in. I understand that some of the banks may have accessed the enterprise finance guarantee scheme to cover their losses, and advisers got their fees, but my constituent was left with huge debts. He had never missed a payment and had never been in arrears.

My second constituent is Ben Warren, who was an Allied Dunbar client. Allied Dunbar was sold to Zurich Financial Services Ltd in 1998 after several mis-selling scandals, and parts of it were sold on a decade later. The deposit book was attractive, the loan book less so. Despite assurances to clients that they would not be materially affected by any transfer, within 14 days of the transfer, 95% of loans were declared to be impaired. That affected 300 people, including my constituent. I understand that some of the banks may have accessed the enterprise finance guarantee scheme to cover their losses, and advisers got their fees, but my constituent was left with huge debts. He had never missed a payment and had never been in arrears.

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The HBOS Reading fraud cost Thames Valley police £7 million to investigate, so where are the resources for such a Herculean task as investigating this situation? Allied Dunbar victims went to Northumbria police’s economic crime unit, which said that it lacked the resources to investigate and directed them to the Serious Fraud Office, which then sent them back to Northumbria police’s economic crime unit. We need accountability; we need transparency; and we need justice for the victims, including compensation. As we have heard, we need to protect SMEs in the future with a more effective tribunal system. Finally, and importantly, we need the Treasury Committee to continue to take a keen interest in the matter.

12.49 pm

Mr Alister Jack (Dumfries and Galloway) (Con): As a member of the Treasury Committee, I can assure the right hon. Member for Tynemouth (Mr Campbell) that the Committee is taking a keen interest.

In 2016 an RBS document leaked to the BBC proved that “staff were asked to search for companies that could be restructured, or have their interest rates bumped up.” Yet in November 2017 the FCA announced its conclusion that RBS had not set out to “artificially engineer” SMEs to fall into the GRG and that “there was not a widespread practice of identifying customers for transfer for inappropriate reasons, such as their potential value to GRG.” All I can say is, what absolute balderdash, and I will explain why.

In February 2009 I received a telephone call from the RBS bank manager who was looking after the accounts of our self-storage business in Edinburgh. He simply said that we were going into default, that our interest rate would immediately be put up to 6% above base, that RBS was looking into other issues and that we would be going into GRG. We had not breached any covenants, so I asked him for an urgent meeting. RBS had competed with Lloyds for our business, and we had a term loan on a building in Edinburgh, the Jenners depository, of which I was then, and remain today, the major shareholder. That term loan was 1% over base, and of course banks did not want term loans of 1% over base in February 2009.

We got the meeting. The bank manager came in and said he had remodelled our management accounts and that we were breaching covenants. I tried to find out how we were breaching covenants, and he could not tell me. When my bookkeeper was looking over his shoulder as she gave him a glass of water, she spotted that he was using the management accounts of February 2006, some three years previously, to claim the breach, so I showed him the door and did not hear from him again for three weeks, when he came back and told me that we were in breach of our covenants because our building had devalued by 40% and that we were immediately being moved to interest of 6% over base.

I called the bank manager in for another meeting and said that we must get the building revalued. Other Members have mentioned Alder King and others. Self-storage is a very specialist business and RBS wanted just to use its own valuer. I smelled a rat and insisted that a self-storage valuer was used. RBS said that we had to bear the £15,000 costs, to which I responded, “Here’s the deal: if the valuation remains the same, which is fine for our covenants, or goes up, you pay it.” RBS was confident the valuation would go down. When the valuation came back, it had doubled and RBS had to pay the costs. Needless to say, RBS was livid.

The manager disappeared from our radar and RBS proceeded to make things as difficult as possible for us because, as I said, no bank wants a loan of 1% over base. We then tired of RBS and moved our term loan to Handelsbanken, obviously at increased expense but we had lost faith in RBS.

I later learned from a bank manager who had moved on to a different role that after the October 2008 bail-out—even when Fred Goodwin had left and Stephen Hester had arrived—we were an unsuccessful part of what was called “project dash for cash.” The plan was to seize assets through perceived default, and between 2007 and 2012 more than 15,000 companies were moved into GRG to await their fate. From my own experience, I have no doubt that many of those customers were not treated with proper care and attention.

I also have no doubt that the FCA’s conclusions, to which I referred earlier, are wholly wrong and that there was a widespread practice of identifying customers for transfer to GRG for inappropriate reasons.
Stephen Kerr (Stirling) (Con): What are my hon. Friend’s conclusions about the culture that prevailed in RBS at that time? Does that culture continue to this day?

Mr Jack: I do not know whether it continues to this day because I no longer deal with RBS, and I would not deal with it again on principle. The culture at the time was disgraceful. My business was making a profit when RBS came in, and it has made a profit every single month since. That is a good example of how RBS tried it on.

I was lucky to be in a robust enough position to send RBS packing. None the less, it was a very stressful and unpleasant experience. For a variety of reasons, countless thousands were not as fortunate, and many lives were needlessly ruined by the disgraceful and unscrupulous behaviour of RBS bank managers across the country. Those customers deserve proper redress. I support the motion.

12.55 pm

Norman Lamb (North Norfolk) (LD): The testimony we just heard from the hon. Member for Dumfries and Galloway (Mr Jack) was incredibly powerful and valuable.

I speak as a co-sponsor of the debate, and I agree with every word of the opening statement by the hon. Member for Norwich South (Clive Lewis). The revelations in the report of the independent review are absolutely shocking, and that is without the revelation from my right hon. Friend the Member for Twickenham (Sir Vince Cable) that the full report says “Management knew or should have known that this was an intended and co-ordinated strategy”.

Why was that left out of the report’s summary? It potentially makes the FCA complicit in the cover-up, which is incredibly serious and needs to be considered.

Even without that, the report of the independent review highlights systemic failures, which in itself is an incredibly important conclusion. There was a failure to fully recognise and manage the conflict of interest between GRG’s twin objectives of turning around businesses and making a financial contribution to RBS. The review concludes that the commercial objective had been the strategic focus of management. That prompts the question: was GRG just incredibly stupid, or did it know exactly what it was doing? If it did know what it was doing, it amounts to theft of assets from people who, in many cases, were running entirely viable businesses—the hon. Member for Hazel Grove (Mr Wragg) described it as asset stripping. These were people who had grafted throughout their adult lives to build up their businesses, which were destroyed by this outrageous behaviour. It is an extraordinary scandal.

The catalogue of unacceptable behaviour outlined in the review and exposed by brave whistleblowers demonstrates an absolutely rotten culture: victory emails celebrated taking assets off businesses; there were incentives for staff to take more money off stressed businesses to boost their bonuses; and what of the role of lawyers in managing the conflict of interest, or of the accountants, or of the auditors? Who was complicit in this scandal? That is why the hon. Member for Norwich South said we need an inquiry to find out who is culpable.

Kevin Hollinrake (Thirsk and Malton) (Con): The right hon. Gentleman is making a powerful speech. He mentions the relationship between the FCA and RBS. Is he aware of the leaked minute from an FCA board meeting that says that one of the reasons why the FCA will not release the full report is that it is concerned about being sued by RBS? Does that not raise the question of who is regulating whom in this relationship?

Norman Lamb: The hon. Gentleman is entirely right. We rely on the regulator to be powerful and tough in such situations.

The human cost is incalculable. People have been driven to suicide and marriages and health have been destroyed, but who has been held to account for this disgusting behaviour? People and businesses ruined must have justice. I say to the Minister that an independent tribunal is essential. It would act as a deterrent to bad behaviour; banks would know their actions have consequences if they knew it would go to an independent tribunal.

My constituent Mark Wright is an RBS whistleblower. His career and his health have been destroyed. He and others are the heroes of this sorry story, risking everything to do the right thing, yet he has also been horribly let down by the regulator. The FCA, including its chief executive, Andrew Bailey, dismissed his concerns, but this week he won a vital victory when the complaints commissioner ruled that the FCA was wrong to reveal his name to RBS. What cavalier disregard of a whistleblower’s rights! The FCA fought the complaint all the way, only apologising right at the end. The case was brilliantly pursued by Steve Middleton, who deserves enormous credit. He is now setting up, with others, Bank Confidential—I declare an interest in that I am a patron—to protect whistleblowers and expose wrongdoing.

The truth is that whistleblowers have no real protection in this country. Contrast that with the situation in the United States, where the Dodd-Frank legislation introduced the Office of the Whistleblower, which is there to protect whistleblowers. Whistleblowers are rewarded financially for doing the right thing—they are awarded between 10% and 30% of the sanction collected against the firm, which can run into millions of dollars. What a contrast with the position in this country! We need our own office of the whistleblower, and whistleblowers should be guaranteed anonymity; they should be rewarded for their bravery. Maintaining the integrity of the banking system is of fundamental importance to us all, and whistleblowers are necessary for that purpose.

My fear is that in the aftermath of the crash in 2008, all the focus of the banks, the regulator and Government was on rebuilding balance sheets, and a collective blind eye was turned to how that was achieved and how many victims were left along the way—business owners and whistleblowers. The Government and the FCA now need to act to clear up this scandal and to get new arrangements in place to rebuild trust in British banking and give justice to those ruined by this outrageous behaviour.

1.1 pm

Neil O’Brien (Harborough) (Con): I welcome this important debate and congratulate the hon. Member for Norwich South (Clive Lewis) on securing it.
I am conscious of following a very powerful speech. I think Members on both sides of the House will be horrified and sickened by the contents of the RBS memo—good job, great work, great。(W est Bromwich West) (Lab/Co-op): I congratulate everybody involved in bringing this important issue before the House for debate today. I was first confronted with some of these issues in my former incarnation as Chair of the Select Committee on Business, Innovation and Skills, when a number of the cases outlined by Members today were brought to my attention. As I studied them, my first instinct was that these were just isolated cases of maladministration and that banks could not possibly be behaving in such a way, which one would assume contravened not only any sort of ethics or sense of fairness, but the law itself.

Further investigation and consultation with other Members demonstrated that what I thought were one or two isolated incidents of maladministration were in fact part of a national problem resulting from a culture that obviously prevailed within the financial services industry, and that in many ways was propped up by other professional and corporate organisations—valuers, receivers and so on—who were making money out of it. Therefore, I particularly welcome the emphasis a number of Members have put on pointing out that, although this motion focuses on RBS, this is a general and systemic problem, as was determined by the fact that about 60% of lending to small and medium-sized enterprises was done by two big banking conglomerates, Lloyds and RBS. They, by their actions, set the culture and tone of how banking has dealt with small businesses and the way small businesses perceive the banks.

I applaud the motion, because it makes it clear that although RBS may have implemented some remedial actions, this is a general problem that needs a general solution. I read the minutes of the Treasury Committee interviews with Andrew Bailey of the FCA, and one of the most astonishing things I read was the regular comment made by him that such actions were “outside the regulatory perimeter”. What an astonishing thing for somebody in charge of the organisation designed to implement regulation to acknowledge: that for a long period banking practices had actually gone on outside any sort of regulatory perimeter. One would reasonably expect such a body to be pressing the Government to pass the necessary legislation to alter that position. In part, these huge personal, economic and business problems have arisen because of the failure of that body to make that case.

In the past, like many other people, I assumed that banks giving loans to business did so because there was a mutuality of interest: the bank would make money, the business would thrive and the country would thrive via the economic benefit that that would bring about. Instead, a process has been built into our economic system by which the organisations that were supposedly providing the lifeblood of our economy—driving productivity, investment and so on—were in fact destroying it. Indeed, their future depended on their destroying, through corporate theft, financially sound businesses that were providing employment and contributing to the economy.
The Orwellian name of the Global Restructuring Group hides the fact that it was effectively death row for businesses, and its structure was mirrored by other banks. All that underlines the proposals in the motion that imply that the Government, through the FCA, must impose a far more rigorous regulatory environment to drive the change in culture that is so necessary.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. After the next speaker, the time limit will be reduced to four minutes.

1.10 pm

Bob Stewart (Beckenham) (Con): My constituent Dean D’Eye and his family and friends have been terrorised by solvency professionals working for GRG and Dunbar bank. Mr D’Eye’s life’s work has been taken away from him. He had a development company in south London that had a value of £140 million, as well as a thriving youth-hostel business that employed 100 people. Dean D’Eye’s father and step-mother, Derek and Ann D’Eye—82 and 71 respectively, and also constituents of mine—have been evicted from their home, and numerous other family members and friends have been attacked using predatory litigation tactics. The whole D’Eye family faces complete wipe out.

It all started 16 years ago when Mr D’Eye became a customer of the Romford lending division of NatWest, which is now part of RBS. NatWest funded his investment business and he was mentored on business development by Dunbar. During the third quarter of 2008, GRG started to hound him, despite his never having missed an interest payment and at a time when interest rates had plummeted. GRG thus managed to get him into insolvency by 1 June 2009.

The loss of a large proportion of the group’s cash flow started to cause issues with Dunbar bank, which was by early 2010 starting to experience significant problems itself. The Zurich group moved the bank to its centrally managed business division, which was headed by Mr Colm Holmes. Mr D’Eye, who is present in the Public Gallery, has described the business division as an extortion racket. As is evident from this debate, the GRG’s tactics are becoming well known, but I wish to highlight Dunbar’s far more aggressive actions and the systematic destruction of its clients’ former loyal staff, long-standing suppliers and valuers. I am pleased that the Treasury Committee is looking into the matter.

Mr D’Eye describes the current situation with respect to small business lending in the UK as utterly unsustainable, and I think we all agree. Financial institutions have been allowed to run riot with demands for personal guarantees in all aspects of business, and the limited-liability company may well soon head into extinction. If we combine that with the fact that banks do not seem to be trusted and have not been brought to justice for their actions, we have the perfect storm for SMEs. UK productivity cannot improve without a thriving SME sector. We have some of the best entrepreneurs in the world, but we must sort out the banking infrastructure on which they rely—as well as getting justice for those poor devils who have suffered so much as a result of the banks’ actions.

1.14 pm

Mrs Madeleine Moon (Bridgend) (Lab): If we do not agree today that there is going to be justice for all those people who have been damaged by the banking crisis—by the illegal actions that have taken place across the banking sector and among the organisations that worked alongside the banks, including the valuers and surveyors—all the distrust of this House will be valid. It is in our power to give those people justice, and that justice must start today.

My constituent Mr Smith ran a small engineering company and had banked with NatWest for 12 years. He took out a £180,000 mortgage on a new building. He reduced the mortgage because his company was doing well; in fact, it was worth £220,000 fairly quickly. He decided to invest in new equipment to help him to expand. Unfortunately, when the bank agreed to fund the investment in new equipment, it put a second charge of £80,000 on his home, assuring him that it was not a problem because the bank would always negotiate with him if his company had any difficulty.

There were rumours that the bank needed money, so Mr Smith asked the bank manager whether things were okay, but he was assured that it was as safe as houses. As we know, though, the bank collapsed, and within weeks the flow of work into Mr Smith’s company also collapsed. A contract worth £30,000 was closed down literally overnight.

Mr Smith then had a problem with the Royal Mint, which was supposed to make a payment into his bank account on the Wednesday but rang at the last moment to say it would be made on the Thursday. Unfortunately, Mr Smith had arranged to pay suppliers on that same Wednesday. Instead of doing what it had always done previously, which was to act reasonably and say, “Don’t worry about it,” the bank charged him £600, adding to his financial problems.

The situation quickly became a huge problem for Mr Smith. He started to get phone calls from a few departments at the bank. [Interruption.] I am sorry about my phone ringing, Madam Deputy Speaker! In fairness, it did seem like it was RBS calling. The bank was calling Mr Smith to ask him to come in to discuss his loans. That was when he entered the GRG bracket. In the end, he was forced to close his business.

Despite Mr Smith’s attending court on numerous occasions and being a litigant in person, RBS often did not send people, or appeared badly prepared. It was only when I finally managed to get through to the bank and criticised its actions that it agreed to a meeting with Mr Smith. The bank actually said to Mr Smith’s wife, “It is not a matter of if we will take your home, but when.”

Mr Smith and his family have gone through hell. Like many of the companies that have been discussed in the debate, they would have been a cornerstone of Britain’s economic recovery. Instead, trust, confidence and belief in the British banking system has been systemically destroyed.

1.18 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I am grateful for the opportunity to speak on an issue that has deeply affected so many small and medium-sized businesses throughout the United Kingdom.
The Royal Bank of Scotland should be one of the jewels in the UK’s crown: a principled yet profitable business carrying the great name of Scotland and doing business in every corner of the globe. Perhaps it was something that we could be proud of before 2007, but actions of the bank that have been uncovered since then have lost it almost all its credibility.

The Global Restructuring Group is responsible for stripping businesses which were deemed to be perfectly viable. Those are not my words, but the words of the Tomlinson report, which stated:

“GRG artificially distresses otherwise viable businesses. Through such actions, GRG placed businesses on a journey towards administration, receivership and liquidation.”

One of GRG’s tactics was to appoint its own valuers to appraise assets put forward by companies against loans, deliberately undervaluing the assets and then putting them into GRG even if those companies were not behind with their payments. My hon. Friend the Member for Dumfries and Galloway (Mr Jack) described very well the challenges that businesses and individuals have faced in that regard. Anyone can see that that should be absent from business practices in the United Kingdom.

Of course, RBS denies that it made any money from such practices, but we must remember that the senior management of the bank created the circumstances in which it became so desperate to liquidise many of its investments. It must also be pointed out that the Financial Conduct Authority found that GRG’s actions failed to comply with the bank’s own standards. It is only right for the FCA to hold the bank to account and to fight on behalf of customers—business or otherwise.

Unfortunately, such practices are not confined to customers of Royal Bank of Scotland. As many Members may be aware, UK Acorn Finance Ltd is held responsible by many in the agricultural industry for forcing farmers into bankruptcy or eviction. One example is that of Kevin and Angela Holt who farmed in the constituency of my hon. Friend the Member for Moray (Douglas Ross). They are, in their words, victims of a fraudulent loan scheme that led to the loss of their farm. I am sure that there are countless small businesses that see their circumstances reflected in today’s debate.

It is also important to remember the problems that financial difficulties can lead to. It not only leaves a hole in the bank balance, but leads to mental health problems and can cause irreparable damage to families, especially in small businesses. The businesses affected are not faceless corporations, but, in many instances, small family companies supporting local employment and the local economy. I am very grateful to the Government for what they have done in continuing to fight hard to strengthen the financial sector, but more needs to be done.

As I have said, RBS is no stranger to bad news. Bankers’ bonuses, branch closures and bail-outs highlight but a few cases. One needs only to ask some of my constituents for their thoughts on the recent announcements to understand the consequences of its actions on local people and the injustice that they feel. However, the actions of the Global Restructuring Group are perhaps its most intertemperate over the past decade, since the beginning of the great recession. It is our duty in this House to stand up for those who have been crushed by the immoral acts of this corporation, which, as we all know, is now owned by the taxpayers of this country.

Jeff Smith (Manchester, Withington) (Lab): In the brief time available, I will add my voice to that of those calling for a proper inquiry into the scandal and a proper tribunal system for dealing with SMEs that are in difficulty.

I wish briefly to cite the example of my constituent Anthony Molyneux, whose small business has been mishandled by RBS over the past several years. Equally—as we have heard, this is a much wider problem—I could cite the case of my constituent David Farnden, who has been treated appallingly by the Yorkshire Bank over a long period of time.

Mr Molyneux’s experience is one of the thousands of cases in which RBS has put its profits before small businesses that needed, expected and deserved its support to turn their businesses around. He estimates that at least £1.5 million of assets were sold for around £260,000 to make a quick buck for RBS. The problem started when he was alerted by one of his tenants that an auction sign had been placed outside one of his premises. The auctioneers confirmed that RBS had placed his premises up for auction to pay back some of the debt that it claimed he owed.

RBS did not follow the correct processes when it used the TR2 process in the sale of Mr Molyneux’s land. It did not communicate properly with him and did not give him adequate opportunity to clear his arrears. After a long dispute about the amount he owed, he got an agreement in writing, and then RBS came back demanding more money.

I do not have time to go into the long list of very serious concerns about the process and ethics of the sale, suffice it to say that Mr Molyneux took his case to the financial ombudsman, which upheld his complaint. It recognised wrongdoing on the part of RBS, but said that, in the absence of the loan agreement that RBS said could not be found, it would be for the courts to decide the legality of the bank’s actions. That left the onus on Mr Molyneux to undertake a very expensive and risky court process. Six years on, the issue has not been settled, and he has not had an adequate settlement for his dispute. Sadly, that case is typical of the kind of failings revealed in the FCA’s report on RBS.

It is clear from this debate that small businesses across the country have suffered as a result of a system that lacks adequate checks and balances. The incidents are not isolated, as we have heard. Sixteen thousand companies were handled by the GRG. Of those, only one in 10 ever returned to health and, at the same time, the GRG became one of the bank’s most profitable sectors. We have heard that there has been a systemic failure. The banks have failed to recognise and grasp the glaring conflicts of interests between their commercial aims and their obligations to businesses and all of us to help SMEs to turn around and make a profit.

It is clear from this debate that my constituent’s experience is one of many examples in which SMEs have been the victims of a banking sector that is focused solely on profit, not on supporting its customers or our wider economy. It is also clear that the financial ombudsman...
is unable effectively to provide for accountability in cases such as the ones that we have heard about today. It lacks the power or authority not only to prevent such examples of corporate greed, but to achieve justice for those affected. In the wake of the FCA report, which has exposed a widespread failure in the system, the Government must take action, so I strongly call for a Select Committee inquiry—a proper inquiry—and a proper process to bring RBS and the other banks to justice on behalf of my constituents and those of other Members.

1.26 pm

Kevin Hollinrake (Thirsk and Malton) (Con): First, I must draw the attention of the House to my entry in the Register of Members’ Financial Interests. I have been in business for 25 years and still am today, and our business was once a customer of RBS. Thankfully, we did not suffer from any of the tragic circumstances that many Members have talked about today.

I thank my co-officer on the all-party group on fair business banking, the hon. Member for Norwich South (Clive Lewis), for clearly setting out the case for a tribunal, to which I need to add very little detail. I will, however, make some further points. There is not only a case for justice here, but an economic imperative. We know that the powerhouse behind our economy is SMEs. Some 99% of all businesses are SMEs. They employ 60% of our private sector workforce and create 51% of its turnover, yet they have suffered terribly from these colossal injustices. There is now a crisis of confidence between our businesses and our banks. The Treasury is doing great work in trying to find funds for new companies and scale-ups that cannot borrow, but what about those companies that will not borrow because they just do not have the confidence to do so? Many people in the Public Gallery can provide great evidence to show that, in their minds and the minds of many other business people, that is absolutely the case.

This is about not just RBS, but many other banks, such as HBOS and Lloyds. We are talking about tens of thousands of businesses, but that statistic masks individual tragic stories. These are people’s lives and their life’s work. My constituents John and Kerry Welshy had a good business. They were persuaded to take on a loan that the bank salesman did not understand, and that they could not understand, but in the pressure of business, sometimes people take on such loans. They signed up to the loan but, as interest rates fell, the cost went from £6,000 a month to £17,000 a month. That broke the business. The bank then decided that it would compensate them for the cost of the loan—a few hundred thousand pounds, which is an awful lot of money—but what about the cost of the business that was broken? That was their life’s work—tens of millions of pounds. It is an outrageous injustice.

The difficulty, as we all know, is not only that banks are too big to fail, but that they are too big and too wealthy to sue. No form of justice is available in this situation. I do not believe that the Financial Ombudsman Service could deliver the solutions we need. We need to look at other solutions to provide justice. Our all-party group is considering the idea of a tribunal and we need to ensure that we get that justice. In a tribunal, the plaintiff will not have to carry the costs of the defence if they lose, so it represents an accessible form of justice. We believe that that could be delivered through secondary legislation, but obviously we need to look into that.

The all-party group accepts that we need to do proper research. One thing we absolutely cannot countenance, and that even businesses that have been wronged in this process will not countenance, is to stem the flow of lending. We cannot afford to do that, so we must take the time to conduct research. We are prepared, as an all-party group, to do that. We have support from some surprising places—participants in the financial services industry. We just need time for the Treasury to work with us to ensure that we deliver the right solutions for justice and to benefit small businesses and the UK economy.

1.30 pm

Chris Ruane (Vale of Clwyd) (Lab): For 10 years, I have been dealing with George Jones, a farmer in my constituency. George has been a victim of big banks, small banks, dodgy accountants, solicitors and valuers for the past 13 years. He has been let down by all the organisations that should have been there to help him, including various police forces, police and crime commissioners, the Independent Police Complaints Commission, the Solicitors Regulation Authority, the Financial Conduct Authority and the Serious Fraud Office.

My constituents and others from around the country are looking to us today, as parliamentarians, as their last hope of gaining justice. I hope that we do not let them down. The web of deceit between a whole range of organisations is highly complex, from the big banks—RBS and Lloyds—to accountants, solicitors and valuers. I hope to discuss the impact of this national scam as it pertains to my constituent George and his family. In doing so, I am heavily reliant on George and his friend, Martin Wickens, who is an expert in this area and has been working with him.

George Jones and his family were treated extremely poorly by Barclays. Within days of his father suffering a stroke, Barclays was round at his farm, stating that a new bank mandate was immediately required. Barclays leant heavily on my constituent, reorganising the finance not to the benefit of George or their mutual benefit, but to the benefit of the bank. It acted with indecent haste. Barclays also leant on him for insurance policies, saying that without insurance, the interest charges would be increased. Barclays effectively turned its back on my constituents.

Once Barclays had turned its back on George and his family, the family were forced to go elsewhere for finance. They turned to Peter Williams, a renowned agricultural solicitor who often featured in the agricultural press. Peter Williams, with his contacts in Burges Salmon Solicitors, UK Acorn and Commercial First, was able to get my constituents’ debt down by £100,000. The costs to George and his family were £130,000. They then proceeded to tie George and his family up in debts, loans and other agreements that they could not get out of. My constituent is now a pensioner, and he will likely die in harness. He is effectively a slave to these parasitic financial organisations—and he is just one of 46 cases.
As I mentioned, the organisations that should have been investigating this have let George down. His friend, Martin Wickens, has done an analysis of 20 of the cases, and the modus operandi of Burges Salmon, UK Acorn and Commercial First is the same as has been repeated around the Chamber today: undisclosed conflicts of interest; valuation rigging; the payment of substantial secret commissions of up to £92,000; mortgage churning; regulated mortgages advanced on unregulated loans; conspiracy to defraud and document forgery; false accounting; and breaches of the Law of Property Act 1925.

In conclusion, I shall refer to the answer to a written parliamentary question that I tabled. George and other taxpayers have paid £134 billion to the banks since 2008. I hope the Treasury Committee will pursue this. I hope that we have an inquiry and that a tribunal is set up, and I hope that Avon and Somerset constabulary will now pursue Burges Salmon, Acorn Group and Commercial First.

1.34 pm

**Stephen Kerr** (Stirling) (Con): I congratulate the hon. Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) on securing this important debate. I wish to be associated with their remarks and with those of my right hon. Friend the Chair of the Treasury Committee.

Little did I know, when I left school at 16 to join the Royal Bank of Scotland as a junior bank officer, that all these years later I would be standing in the House of Commons talking, I am afraid, in negative terms about the Royal Bank of Scotland, which, as one of my colleagues said, was one of Scotland’s finest institutions and now badly needs to be restored.

Little did I know, either, that I would end up speaking so often in this place about the Royal Bank of Scotland, most recently about the branch closures in my constituency. There is a theme here. The Royal Bank of Scotland is going to leave small businesses in Stirling, especially in Bridge of Allan, Dunblane and Bannockburn, with no branch to interact with to transact their cash management. I think, as we look through the issues today, we will see a theme of casual disregard and contempt for small and medium-sized businesses, and that, I am afraid, pervades RBS’s approach to business customers.

On the activities of the GRG, the FCA’s October 2017 report makes depressing reading. I lost count of the number of times the words “inadequate”, “inappropriate”, “systemic” and “failure” were linked to a wide range of activities. Many Members from all parties have examples of how these systemic failures have affected individuals. I am no different. However, I am mindful of ongoing investigations involving cases in my constituency and I have no wish to prejudice or jeopardise their progress by making reference to them. I shall simply say that, in the cases that have been brought to my attention, there remain many unanswered questions for the Royal Bank of Scotland to address and many injustices to be put right.

**Eddie Hughes** (Walsall North) (Con): My hon. Friend mentions that he was employed by that bank, of which he was once very proud. Could he make any comment on what has brought us to the position where he is now embarrassed, perhaps, about his previous employment?

**Stephen Kerr**: I am not sure I am embarrassed about my previous employment, but what has brought us to this situation is a culture—a culture that, I am afraid, is institutionalised and industry-wide. That culture is captured in the document in my hand, which, thanks to the offices of the Treasury Committee, is now publicly available. The document, entitled “Just Hit Budget!” contains many sentiments that betray the culture of the Royal Bank of Scotland of that era, but I sincerely hope not of this era, although I remain unconvinced.

Interestingly enough, the chief executive of RBS, in correspondence to my right hon. Friend the Chair of the Treasury Committee, in my eyes justifies the letter by saying that “it was written in 2009 by a junior” bank “manager”.

Frankly, a junior bank manager would not have written that document without understanding that it conformed to the culture of the business that they were operating in. I am afraid that the chief executive is condemned by his own justification, which does not wash.

In the time that I have left, I will not try to rehash many of the things that have been said, but simply say this. There is a gap in funding support for small and medium-sized businesses in this country, and it is holding us back as an economy. These companies are the lifeblood—the engine room—of our economy, and it is not acceptable that they do not have recourse to an independent mechanism to which they can bring their complaints of unfair and unreasonable practices when dealing with our financial institutions.

Given the appalling conduct uncovered in many reports—not just the report that I referenced earlier—there is obviously a failure to comply with the voluntary code, however much the banking lobby may continue to stand by it. In fact, ironically, the stronger that lobby—funded, in part, by the inappropriate gains that have been made through the immoral practices in relation to small and medium-sized businesses—the stronger is the case for an independent body. They had their chance, in my eyes, and I am sure in others’ eyes, and have failed. It is time, and it is right, for this Parliament to take responsibility—to step in and to act to ensure that an independent body, as described by me and others, is created, and as quickly as possible, because enough is enough.

1.39 pm

**Ged Killen** (Rutherglen and Hamilton West) (Lab/Co-op): As we have heard, this debate is about wider failures, which go beyond RBS GRG. I would like to highlight the extent of the problem by drawing on the experience of my constituent Mr Derek Carlyle, who is in the Gallery today. I pay tribute to the late Jimmy Hood, the former Member for Lanark and Hamilton East, who first raised this case in a Westminster Hall debate on 10 March 2010. The record of that will show a more thorough account of the case than I will be able to give today.

Almost eight years later, things have moved on significantly for Mr Carlyle, but the issues he faced and the considerable challenges he had to overcome remain today. What started as a good relationship with RBS took a turn for the worse in 2008, when a promise to
provide development funding was withdrawn. Mr Carlyle went on to fight for 10 years in the face of relentless intimidation, bullying and underhand tactics by RBS. It sought to destroy Mr Carlyle, and it almost succeeded. It manipulated his personal bank accounts, seized his assets, forced his company into administration and set about preventing solicitors from acting on his behalf. His solicitor at the time, also a small business, found itself under siege, inundated with requests and bombarded with phone calls—so much so that it was unable carry out its usual functions and provide a service to its other clients. In the end, it felt that it had no option but to cease representing Mr Carlyle. Eventually, his case was taken by a firm of solicitors that was not specialised in litigation and first had to seek the permission of RBS before it could act.

Mr Carlyle had to go all the way to the Supreme Court to settle his case—the only person to do so—and it came at a huge financial and personal expense. He lost his business and his house; his private life was affected; he suffered damage to his reputation; and he was forced into bankruptcy. The great unfairness is that the bankruptcy restriction order against him is still in place today, meaning that he is unable to act as director of a company, unable to borrow more than £500, and even unable to become a Member of this House should he wish to turn his talents to the world of politics. How can it be fair for someone to fight for almost 10 years, be vindicated in the highest court of law, and then, at the end of it all, find themselves significantly disadvantaged in what they can and cannot do in their personal and professional life? The legislation that controls bankruptcy in Scotland is devolved. I am disappointed that the Minister for Business, Innovation and Energy in the Scottish Parliament has declined to intervene to correct the unfairness that means that Mr Carlyle is still subject to the bankruptcy restriction order.

Most of us would not have the determination or strength of character that it took for Derek Carlyle to win his case. He was told on more than one occasion to give up. He says that he relied on others who put their neck on the line, and no small measure of luck. If this can happen with a bank that is over 70% owned by the taxpayer, it can happen with any bank. It shows that we have a completely dysfunctional system where the balance of power is heavily in favour of not just the banks, but professional advisers who are integral to the system, such as surveyors, insolvency practitioners and solicitors. Moreover, bad behaviour is rewarded because outcomes like Mr Carlyle’s are rare and almost impossible to pursue. It is in the interest of small and medium-sized enterprises and the banks to sort this problem now. It is not going away, and failing to tackle it will only push it further down the road. The last thing we need is another banking scandal.

It is not sustainable for banks to continue to act as judge and jury, and it should not take what Derek Carlyle had to go through to reach a fair outcome. I fully support the recommendation of the APPG on fair business banking. We need to bring complaints out into the open. We need an affordable, accessible dispute resolution process. It needs to be a completely independent system that sits outside the regulatory structure and has the knowledge and power to deal with the complex disputes that will be brought before it. The best way of achieving that is through a public tribunal system, and I hope that Members across the House will back those calling for that.

1.43 pm

Stewart Hosie (Dundee East) (SNP): This is clearly an important debate, as evidenced by the testimonies that many Members have from their constituencies about RBS GRG. But it goes far wider than that, because RBS was not alone in facing allegations of mis-selling, of treating companies badly at the height of the banking crisis and of poor redress since. I am sure that many Members will have had cases of Clydesdale’s tailored business loan mis-selling, where redress has not yet been made and constituents may have lost their homes, businesses and livelihoods as a result. It is also the case—that adds to our frustrations and those of our constituents—that some products were regulated and others were not and that some customers were deemed to be “sophisticated investors” while others were not. In short, there was an opaque regulatory environment that may have been sufficient in the good times, but most certainly was not when the money ran out and the banks were at their most stressed.

All the banks came under scrutiny, but much of the focus, understandably, was on RBS because it had such a large market share; because, by some measures, it was the largest bank in the world; and, not least, because of the allegations surrounding the treatment of businesses after they entered the bank’s GRG. I will not describe the genesis of the products that people bought, as the hon. Member for Norwich South (Clive Lewis) did that well. I simply say that, when businesses wished to extract themselves, sometimes their only way of escape was to pay substantial sums, larger than any capital ever borrowed, but as they were distressed themselves as the economy downturned, that was not possible, and so, in the case of RBS, they went to GRG. One would have thought, as many have said, that this was to help businesses to recover, but few did. To be fair, some of those businesses are likely to have failed anyway, while others were potentially viable, and referral to GRG may have caused some difficulties. But the key point is that some definitely experienced actions that were likely to have resulted in material financial distress.

One of the many reasons this was able to happen is that in some cases commercial lending was not regulated. To be fair to RBS, it did work with the FCA and it has implemented the complaints review. It also trained the team under Sir William Blackburne, who was honest in saying that outcomes were not being delivered quickly. However, all that remedial work, some of which was very good, is undermined by the swirling belief that refuses to go away that businesses referred to GRG were cash-poor but asset-rich, and artificial default events were engineered. In short, the businesses were asset-stripped.

These allegations are made all the more persuasive by the fact that, as we now know, GRG had a commercial objective and was part of “project dash for cash”; and by what we have seen since the Treasury Committee published the “Just Hit Budget!” memo and the memo from 2008-09.

I fully support the motion. I want to end because time is short. The memo from RBS GRG said that a customer should transfer to GRG if a significant
deterioration in any aspect of their activity had happened, where a breach of covenant was likely but had not happened, or where they may miss a contractual payment to anyone. So even businesses that stuck to the terms of the RBS agreement could be referred to GRG. That was completely wrong.

1.47 pm

Christian Matheson (City of Chester) (Lab): Much as I support calls for a tribunal system and an inquiry, the longer I listen to the debate, the more I believe that there has to be much greater involvement of the police in what are clearly criminal conspiracies—particularly, perhaps, in relation to agreements between valuers and the banks to drive down the values of properties. The hon. Member for Thirsk and Malton (Kevin Hollinrake) is absolutely right that while we cannot forget the personal damage done to small business owners, this is an attack on the whole of the UK economy, which is underpinned by those small businesses. It should therefore be taken seriously in criminal terms at the national level.

My constituent Graham had his business destroyed by Clydesdale and Yorkshire bank, which unlawfully mis-sold tailored business loans to him and to other SME customers. The selling involved widespread and systematic unlawful conduct, including making deliberately false representations to coerce customers into taking on the obligations under tailored business loans. Customers were not told about any interest rate swaps associated with or embedded into their tailored business loans, nor were they given the bank’s standard terms and conditions before or at the time of entering into the TBL. There was no mention of potentially substantial early termination penalty charges—break costs—allegedly associated with such interest rate derivative products.

As a result of this mass mis-selling, customers of these banks have suffered significant financial losses. The hidden break cost liabilities asserted by the banks meant that it became virtually impossible for customers to pay off their TBL completely or to switch their borrowing to another bank, as the hon. Member for Dundee East (Stewart Hosie) said. SMEs were therefore locked-in victims, forced to continue paying interest rates as high as 6% or 7% on these loans when the base rate was reduced to 0.5%.

SMEs were subjected to various other forms of abuse, including the manipulation of property valuations mentioned previously, which resulted in alleged covenant breaches of the loan-to-value ratio on the property underpinning the loans, as well as the unlawful repossession of properties, the manipulation of overdraft facilities to exert additional pressure, the unfair imposition of inflated bank charges and the unlawful calling-in of personal guarantees. It is no wonder that so many small businesses, and the families underpinning them, have gone under in these intolerable circumstances.

From investigating Graham’s case and those of other constituents, I, like other hon. Members, am absolutely clear that the Financial Ombudsman Service is not fit for purpose, perhaps because it lacks the skills to understand these very complicated financial instruments, perhaps because it is under-resourced, or perhaps because it lacks the political will and is too close to the banks. It could also be—the Minister may want to consider this—that the legislative regime under which it operates is not sufficient and that it does not have sufficient scope.

I have one final point to make. This scandal has been compared to the PPI scandal, but I think it is in a league way beyond it. Adding extra money to somebody’s payment protection insurance and then skimming some off the top is one thing, but deliberately driving down, crashing and destroying somebody’s business, to which they and often their families have dedicated their lives, is in a league beyond anything we can comprehend. I return to the point I started with: this is criminality and it should be dealt with as such.

1.51 pm

Patrick Grady (Glasgow North) (SNP): I join others in congratulating the hon. Member for Norwich South (Clive Lewis) on securing this debate and in thanking the Backbench Business Committee for granting time for it, especially after a debate on the subject was cancelled before Christmas. It is clear from the contributions today that we could easily have filled a whole six hours, there is so much going on. I think it started for all of us with individual constituents coming to us, and we began to realise that this issue extends across the entire country.

One of the key questions, or perhaps the key question, that remains to be answered is whether the behaviour of the RBS GRG was, to paraphrase the right hon. Member for North Norfolk (Norman Lamb)—I hope this is not unparliamentary language—a cock-up or a conspiracy. Either way, the decision to seize and strip the assets of thousands of small businesses across the country has, as we have heard, caused untold misery to the owners and employees of these businesses and their families, and it seems to have caused genuine damage to the economy as a whole.

The fact that we are having this debate is a tribute to the campaigners, the various organisations that have raised awareness with their MPs and the work of the all-party group on fair business banking. Those campaigners include one of my constituents, Mr Neil Mitchell, who I know is watching this debate very closely. We have heard many powerful testimonies from constituents, and I want to share some of my constituent’s experiences.

Neil was the chief executive of Torex Retail. He alleges that the RBS Global Restructuring Group “conspired by unlawful means” with Cerberus, a private equity fund in America, to engineer the sale of Torex to Cerberus for a cut-price £204 million in June 2007, which is more than 10 years ago. He alleges “systematic institutionalised fraud” by the RBS GRG in relation to its dealings, which have cost him his business, and time and money afterwards in his campaign for justice. Although I, like many Members, have been able to table parliamentary questions, speak in debates and write to and meet Ministers, Mr Mitchell has faced the burden of this case. While he is rightly seeking restitution of his own losses, his greater motivation has been to support other affected businesses in seeking justice and the establishment of a system that will mean that this kind of scandal can never happen again.

All Mr Mitchell really wanted was a meeting with the chief exec of RBS, and I wonder how much grief might have been avoided if RBS had been willing to meet constituents and business owners much earlier in the game. Instead, Mr Mitchell commenced private legal action against RBS, Cerberus and KPMG; he reported his case to the Serious Fraud Office and the FCA,
launched a civil legal action against the companies involved and financed a private criminal investigation with a view towards a private criminal prosecution. He has also played a part in the “ripped off” campaign. I pay tribute to his dogged determination and that of many other campaigners.

There are some key questions that the Government need to answer and that we perhaps all need to reflect on. First and most important, in whose interests were the decisions of the RBS GRG to force those businesses into default? Who has the beneficial interest in businesses that were secured borrowers being forced into default? Whether for an individual or a business, what is the primary objective of engineering the deliberate default and stripping of assets of businesses that potentially have long-term viability? Many of these businesses were stripped of fixed assets that realised capital for a state-owned bank, and individuals were forced out to the labour market, with all the cost to the state and loss to the economy that unemployment brings.

I thoroughly agree with all the calls for a dispute resolution mechanism and, indeed, for a public inquiry into the actions of GRG. Every victim of mis-selling should be given fair and equal opportunity to receive justice. Banks have to fulfil their duty to have the public interest at their heart, and that has to be put at the heart of banking culture in the United Kingdom.

1.55 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing the debate with the right hon. Member for North Norfolk (Norman Lamb), and on his excellent opening speech. He set a high bar, and his speech has been consistently matched by speaker after speaker in this debate.

I wish to raise the case of my constituent Ms Julia Davey, who ran two successful businesses, Angelic Interiors Ltd and Angel Group Ltd. I wish to place on the record my thanks to her barrister, Mr Simon Reevell, who represented Dewsbury in this House from 2010 to 2015, for his extensive briefing and assistance. In short, as at 30 April 2008, Angelic Interiors had fixed assets of over £30 million, with shareholder funds of £6 million; it was placed into administration in July 2016. At the same time, Angel Group had fixed assets of over £100 million, with shareholder funds of over £60 million; four years later it, too, would be placed into administration and then liquidated in 2015. Ms Davey has, by her calculations, personally lost over £6 million.

From the House of Commons Library briefing, it is clear that the focus of the Global Restructuring Group of the Royal Bank of Scotland was in many cases to liquidate companies, rather than to support them. The main charge is that it promoted the realisation of assets over other outcomes and that there was no attempt to rescue them.

Mr Reevell’s brief says that the Tomlinson report makes it clear that RBS used its Global Restructuring Group artificially to distress the businesses of a significant number of its customers. Accounts were moved to GRG and customers were then charged exorbitant fees and/or forced to relinquish control of their businesses.

The method used within Lloyds Baking Group’s London and south east impaired assets department was to compel customers to accept the involvement of what they were given to understand was a turnaround company. Very high fees were levied for this service and the “turnaround” company gradually gained control of the business and misappropriated its income before appropriating and/or disposing of its assets.

Lloyds’ business support unit based in the City used a similar method in respect of Ms Davey, and her business. In 2009, her account was transferred from Leeds to the BSU without her knowledge. In September 2011, Ms Davey was told that she must retain the services of a third-party turnaround company, Baronsmead Consultancy. She was obliged to pay the fees charged by that firm, which were in excess of £644,000 for some 10 months’ work. The total taken from Ms Davey in costs and fees during the period that her business was in the BSU was in excess of £6 million. She believed that the turnaround company was working for her and was, in conjunction with the bank, aiming to return her business to mainstream banking. She would still believe that to have been the aim, but for information provided to her by a whistleblower inside the turnaround company, who was appalled that while the so-called turnaround company was purporting to assist Ms Davey, it was actually colluding with the bank to put the business into administration. At a time when the BSU had already decided to close down Ms Davey’s business, it was taking millions of pounds from her on the pretence that the business was to be turned around. This was not only deceitful, but wrong, and I would have thought criminal.

Part of the motion says that this House “believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds”.

The losses include those of my constituent Ms Davey. She is still waiting for justice, and I look forward to the Minister telling me how she will secure it.

1.59 pm

Chris Elmore (Ogmore) (Lab): I thank my hon. Friend the Member for Norwich South (Clive Lewis), and members of the all-party group, for securing this vital debate.

Small and medium-sized enterprises form the backbone of our economy as well as our communities. The banking industry exists to support them, but the widespread malpractice that plagues the sector has shown that the banks fail those responsibilities catastrophically. Members have given details of the shameful behaviour of RBS, but as has been shown today, such behaviour is not exclusive to that bank.

One constituent of mine—a customer of Lloyds—has lost millions as a consequence of such immoral practices. Mr Alun Richards, who is in the public Gallery today, was once the owner of an extensive farming and property business in west Wales. He became a customer of Lloyds which, after a period of time, decided suddenly and without warning to transfer his account to the BSU without her knowledge. In September 2011, Ms Davey was told that she must retain the services of a third-party turnaround company, Baronsmead Consultancy. She was obliged to pay the fees charged by that firm, which were in excess of £644,000 for some 10 months’ work. The total taken from Ms Davey in costs and fees during the period that her business was in the BSU was in excess of £6 million. She believed that the turnaround company was working for her and was, in conjunction with the bank, aiming to return her business to mainstream banking. She would still believe that to have been the aim, but for information provided to her by a whistleblower inside the turnaround company, who was appalled that while the so-called turnaround company was purporting to assist Ms Davey, it was actually colluding with the bank to put the business into administration. At a time when the BSU had already decided to close down Ms Davey’s business, it was taking millions of pounds from her on the pretence that the business was to be turned around. This was not only deceitful, but wrong, and I would have thought criminal.

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any real explanation. There was little to no support available to Mr Richards, or any attempt to save the business. The solicitors, TL T of Bristol, acting on behalf of Lloyds bank, did so with intimidation and disrespect. Indeed, one Lloyds representative who met Mr Richards was not a Lloyds employee but on the payroll of chartered surveyors Alder King.

In the years that followed, Mr Richards raised complaints with the Royal Institution of Chartered Surveyors about the behaviour of Alder King, as well as with the Solicitors Regulation Authority regarding the behaviour of the solicitors involved. Each of the two regulatory bodies did little to nothing to investigate the situation. I have received many letters from both organisations, and to say that their responses have been half-baked would be an understatement.

Considerable attention has been paid to this issue in the House, including several Westminster Hall debates, and the beginnings of a sitting by the Business, Energy and Industrial Strategy Committee, during which the share price of Lloyds Banking Group dropped. Perhaps this debate will make Lloyds listen and realise that Members of Parliament are going nowhere, and neither are our constituents.

Such mistreatment of SMEs by the banking sector is a stain on the industry, and it is immoral, unjustified, and—unfortunately—widespread. I hope that after this debate, the Government will give due consideration to the atrocious behaviour by Lloyds, Alder King, and regulatory bodies such as RICS and the Solicitors Regulation Authority. Such regulatory bodies are there to deal with complaints, but they have utterly failed.

I am grateful that the Chair of the Treasury Committee spoke in this debate and said that she is in favour of some additional work on this issue. As I have told her, I am now composing a cross-party letter that will go to that Committee and call for a fuller and wider inquiry into the malpractices of the banking sector. This issue goes far beyond just one or two banks, and the system must be better regulated to prevent such behaviour. I hope that the Government will use the examples presented in this debate as evidence to do that, and I fully support the motion and the need for a tribunal service.

In the 30 seconds remaining to me I will also try to speak on behalf of my hon. Friend the Member for Cardiff West (Kevin Brennan). He is unable to attend this debate as he has a diary clash, and he apologises that he cannot be here. His constituents have suffered losses as the results of the practices of Lloyds bank and the receiver Alder King. He points out that the experiences of his constituents are similar to those related by hon. Members in previous debates, and they involve conflicts of interests, actions by banks that damage rather than support local businesses and an unhealthy culture that leads to unethical banking practices that have bankrupted many people who trusted their bank to act in their interest.

2.3 pm

Tonia Antoniazzi (Gower) (Lab): I thank my hon. Friend the Member for Norwich South (Clive Lewis) for securing this important debate.

I was shocked when, soon after being elected, I was approached by constituents who had been affected by major banks employing such unfair and—one can say this—dishonest practices when dealing with their businesses. Although this debate is nominally about the practices of RBS, all the evidence I have seen shows that it is a widespread problem and that many institutions are preying on businesses that have been given little, if any, protection from regulators or the criminal justice system. The financial institutions perpetrating these practices are in such a position of power that the Government must look at rebalancing the situation.

For many people, running their own business is not like having a job; it becomes more like part of the family. These are businesses that people have inherited from their families or built up from a small idea, and for many business owners they mean everything. Like others who have spoken in this debate, I too have constituents who have had their businesses destroyed after a lifetime of work. They have lost their homes and had their families torn apart; they have lost their health and their future, and they have been living a hand-to-mouth existence, just so that some banker can receive an obscene bonus.

My constituent Peter Way—he is here today in the public Gallery—had his prestigious business, which employed more than 300 people, taken away by Bibby Financial Services, which is no stranger to this type of skulduggery. Bibby put my constituent under such undue financial pressure with no warning that it destroyed not only his business, but nearly his life. Such things have taken place right across the asset financial sector, and on an industrial scale, by the majority—if not all—the asset finance companies.

Another constituent, Bryan Evans, had a business called EP Leisure, and he has also been the victim of unscrupulous practices by financial institutions. Barclays bank employed a firm of valuers called Lambert Smith Hampton. It vastly devalued the land owned by EP Leisure, which put undue pressure on Mr Evans’s business. Following reports back to Barclays, the bank decided that EP Leisure was no longer a profitable investment, and the very same company that devalued the land was called in to become receivers for EP Leisure’s land. That matter is the subject of an ongoing police investigation, and despite continued inquiries from Mr Evans, my predecessor, and even his predecessor, we are no further forward in getting justice for Mr Evans.

Why are we not getting that justice? We are not getting it because business banking remains an unregulated activity. Financial service providers can wait out many people who will eventually run out of money, time, or indeed sanity. There is no equity in legal representation—big banks have big expensive lawyers on their side, and there is literally nowhere for people to turn when such things happen to them.

What can the Government do to stop this scandal from hitting our SMEs? We need the rapid establishment of an independent, external service, such as the financial services tribunal system suggested in the motion. Today we have heard one shining example of a committed police force that acted against HBOS and secured convictions for fraud, but we need that to be the norm and not a one-off. SMEs provide the backbone of our economy. My constituents, and everyone who sets up a business and puts hours of dedication and hard work into it, deserves protection from underhand practices. I call on the Government to act to bring such practices to an end.
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2.7 pm

Kate Green (Stretford and Urmston) (Lab): If we did not think before that there was a systemic crisis in banking, this debate has confirmed that there is.

The actions of the Global Restructuring Group have impacted on businesses and jobs in my constituency. I do not want to speak today about RBS’s past mistreatment of its customers; instead I will concentrate on the way that the bank continues, today, to behave towards the businesses it has damaged. Some businesses seeking redress from RBS may be able to access the compensation scheme that the bank announced last year, but for those unable to pursue that route, the only course is legal action.

It is pretty shocking to watch the extraordinarily aggressive approach that the bank is taking to litigation. Costs are escalated to such an extent that all but the richest litigants are unable to pursue their cases. Satellite litigation is launched against claimants’ funders, lawyers, and other third parties. Perhaps most shamefully of all, the bank has repeatedly been criticised for failing to provide full and frank disclosure in the courts during its defence of those claims. In 2016, in a well-publicised and ongoing dispute between Property Alliance Group, which is based in my constituency, and RBS, the bank was expressly criticised by Mrs Justice Asplin in the High Court for taking what she described as a “cavalier” attitude to disclosure. Last week, with the case now heading to the Court of Appeal, the court was again forced to order RBS to hand over more documents—clearly the bank has paid no heed to demands for disclosure. That is not an isolated case. Lexlaw has detailed other cases where RBS failed to provide full disclosure to the court and the claimant. That is clearly not how litigation should be conducted.

Equally, there are concerns about how the bank is operating the compensation scheme announced last year. At £400 million, the fund sounds generous, but in reality it does not come close to recognising the true extent of the harm caused to businesses or the benefit that RBS has enjoyed from GRG’s activities. The fund addresses only a limited range of GRG’s misconduct and is available only to a fraction of the businesses that suffered. Research carried out by Property Alliance Group suggests that the real size of RBS’s compensation scheme should be at least 10 times its current scale—closer to £4 billion than £400 million—and that is because one of GRG’s most heavily criticised practices was the process by which the bank bullied customers into giving away equity stakes in their business in return for its continued support. These so-called upside instruments have been criticised widely but were profitable, and if we look at the balance sheets and reports and accounts of the RBS subsidiary that managed the assets, SIG Holdings, we can see that the bank profited to the tune of £400 million from these practices. As will be immediately apparent, that £400 million, from just one area of the bank’s misconduct, equates to RBS’s entire compensation scheme, which covers all areas of misconduct.

What is more, the accounts of SIG Holdings for the year ending 2016 show that the bank set aside just over £40 million in practice for the costs associated with the complaints process and the automatic refund of complex fees to customers. Andrew Bailey, the chief executive of the FCA, told the Treasury Committee last October that RBS had paid or made offers of about £115 million, which is well short of the £400 million fund, and neither is it clear that the money has been either paid or accepted by claimants.

In conclusion, this debate does not just concern RBS’s past actions; it continues to do all it can to avoid its responsibilities. Far from rebuilding trust, the bank continues to treat its customers with disdain, both in the courts and in the operation of its compensation scheme.

2.11 pm

Christine Jardine (Edinburgh West) (LD): I congratulate my right hon. Friend the Member for North Norfolk (Norman Lamb) on securing this debate on a subject that has cost so many of our constituents so much. Public dissatisfaction with the conduct and running of our banking sector has been one of the dominant themes of the past decade, much of it prompted by the behaviour and management of RBS, which, as the hon. Member for Stirling (Stephen Kerr) pointed out, is in the news again this week with regard to bank closures.

We should remember, however, that there is a wider issue. What we have is the banking system’s systemic failure to protect its own customers. We must not underestimate the impact on those customers, each of whom is an individual—a business person—with a family. Owners of SMEs have found that they are the victims of this systemic failure that has cost them their businesses and, in some cases, their homes. I have a constituent who has been pursuing a case for 10 years. Following a review by the FCA, he was awarded compensation, but he does not believe that that compensation takes into account the consequential losses of his business and property, and the costs of having to arrange another loan. He estimates that he is now more than £1 million worse off than before he went into business with this national bank.

In the decade in which my constituent has pursued his complaint, I am his third Member of Parliament to whom he has brought his case. We are still having to argue that the system is wrong and needs to be changed. His is typical of businesses caught in a trap without fair protection in law. For businesses that want to challenge a bank in court, the process is slow and expensive, and if they lose, they will have legal costs to pay on top of what the original problem might already have cost them. Where is the incentive for the banks to avoid malpractice and obey the law if they know they cannot be challenged because their victims cannot afford to take them to court?

That is exactly that situation that many of our constituents have found themselves in. They want their day in court, or at least the opportunity for a legal process to decide what is fair. Yes, we have the financial ombudsman, but that can only arrange fair and reasonable settlements as it sees it. What about those who feel—rightly or wrongly—that they deserve better than that fair and reasonable settlement and that the ombudsman’s view falls short? That is why I believe we need a tribunal system that will allow the many SMEs that have been mis-sold to and mistreated—some would say cheated—by the big banks the chance to feel that the system can protect them. The process would be cheaper and less formal, and complainants would not need a lawyer. We know that such a process works in other places.
The system has failed. It allowed malpractice that cost hard-working individuals their businesses and homes. This is an injustice that we have an opportunity—indeed, a duty—to address, and I ask the House to support the motion.

2.15 pm

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Norwich South (Clive Lewis) for securing this debate and all right hon. and hon. Members who have spoken. We have heard significant contributions and good personal stories although, unfortunately, some were very hard to listen to.

In Northern Ireland, SMEs account for 75% of employment, 75% of turnover and 81% of gross value added. The private sector has clearly taken us away from the past, and it is important that we do so. I have written to the FCA, and Andrew Bailey in particular, outlining the case for UK SMEs. I am reminded that the former Chair of the Treasury Committee referred to HBOS as the second-worst failure in British banking history—it was beaten, of course, by RBS. In our correspondence, Mr Bailey made a couple of relevant points. The only planned action to which his reply referred was that the FCA expected to issue a consultation on the expanded role of the Financial Ombudsman Service in undertaking more disputed cases with banks. As of last Friday, however, nothing had happened, so everyone is dragging their heels, and the FCA board seems to have no suggestions or comments to make. I respectfully ask the Minister and Her Majesty's Government what action they would consider taking to further support SMEs.

I am aware from my right hon. Friend the Member for East Antrim (Sammy Wilson) that the all-party group on fair business banking proposes an independent tribunal system, which is good news. I am also aware that a freedom of information request has shown that since July 2015, the FOS has considered some 633 mis-selling complaints from micro-enterprises regarding fixed-rate commercial loans and mortgages. Some 21 were upheld with awards of greater than £75,000, and some recommendations were for as much as £150,000, but are the successful complainant businesses actually receiving from the bank the money recommended above the current statutory award? I can say now that some of my constituents have not. It is absolutely disgraceful that while their complaints have been upheld, the moneys are still lingering somewhere other than where they should be—with the complainants.

In the short time I have, I want to illustrate my point with the case of a large family dairy farm in Northern Ireland. It took out a £1 million loan with Danske Bank on the day of the highest LIBOR rate, on 1 October 2008, and since the day of £1 million loan drawdown on 22 January 2009, the farm has paid almost £500,000 in capital and—wait till you hear this one—£535,000 in interest, including another £62,000 because it moved to another bank. That bank has really screwed them, if I can use that word. I do not know if it is unparliamentary language and I apologise if it is, but that is how I feel. The Democratic Unionist party is watching how the FOS process handles this mis-selling case.

There are lots of other cases as well. Another bank that has treated small businesses in Strangford with disdain is the Ulster Bank. It has “restructured” its loans—that is its way of describing what appear to be deliberate destabilising assaults on small businesses. How do we quantify compensation for lost opportunities? The fact is we cannot. Small businesses have gone under, drowning as they watch the Government bailing out bankers. I call for the return of the old-fashioned code of truth, honesty, fairness, common decency, integrity and transparency throughout the whole banking industry. I call for the return of the bank manager who actually knows people, rather than glancing at an online profile. It is time that we did our best for our people.

2.19 pm

Martin Whitfield (East Lothian) (Lab): It is a pleasure to follow the hon. Member for Strangford (Jim Shannon). I thank the Backbench Business Committee for granting the debate, and my hon. Friend the Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) for securing it.

This afternoon, we have heard about horrendous and nightmare cases, and I do not intend to add to those, because every Member of the House will have had through their constituency doors businesses and individuals who have suffered at the hands of the banks. We have also heard this afternoon that this is about not just one bank but many banks—it may, indeed, be every bank. To pick up on a comment made by my hon. Friend the Member for Norwich South, this is about conduct. It is about the deliberate choices the banks have made to facilitate profit for some.

When constituents and businesses come through our doors, they are coming to their MP as a last resort. I ask how many individuals and businesses gave up along the way, when it became just too hard to pursue what really was a battle against a giant. I raise that question because the banks’ conduct is one of the indications our communities and constituents take on board as they judge our banks and our banking system. The conduct we have heard about this afternoon—it has been around too long—is severely damaging the fundamental reputation of our banking system.

I had the honour of leading a Westminster Hall debate on 11 January during which we looked at banks’ responsibility towards communities. Today’s debate, which has explored the conduct of the banks, has shown how society’s trust in our banks is very much at a crossroads. I will be very interested to hear the Minister’s views about how we can start to rebuild that trust in a fundamental part of business. We need the banks, but we must remember, and the banks must remember, that they need our communities as well.

We are looking for answers about transparency and about honesty. I want an answer on banks’ willingness to see imaginative answers to the problems they are confronted with, and I echo the call for a tribunal system. I would also raise the question of fair funding. As the economy becomes more complex, and as our communities and SMEs start to lose confidence in banks, or that confidence is at a crossroads, they are starting to look to other areas for funding. That is another major issue coming this way. I call on the Minister to seriously consider facilitating roundtable discussions on the question of banks’ responsibility to communities, our SMEs and those people who have supported the banks for so long.
2.22 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I also commend the hon. Member for Norwich South (Clive Lewis) for bringing this important debate here today. He started by talking about people’s incredulity that any bank could act in this way, and we have heard from right hon. and hon. Members from all parts of this House about how these things have impacted on people. As the hon. Member for Edinburgh West (Christine Jardine) said, families have suffered. That is the background to this; it is not just businesses that have suffered. People have lost businesses, lost incomes and lost homes. We have seen the break-up of marriages and mental health impacts. Grimly, as we heard from the Treasury Committee memo, the view was that customers could just hang themselves, and there is testimony of people attempting suicide. It is shocking stuff.

Some of those affected feel responsible for losing their family businesses and feel deep shame at that happening. These things have devastated people, many of whom, as we have heard today, had good businesses that were ready to contribute to the economy and to aid productivity. Earlier, the hon. Member for West Bromwich West (Mr Bailey) described GRG as death row, and it was for some.

When people tried to fight these injustices, they would face enormous financial costs. I understand that it cost £10,000 just to raise an action, which was beyond the capability of many people in those circumstances. Businesses with as few as 10 employees have been affected. This issue has had an enormously wide reach. If people could look to take forward legal action, they would find that the banks had sewn up all the solicitors in the area, making it impossible to get the correct level of representation.

As we have heard from Members on both sides of the Chamber—and the SNP feels just as strongly about this—we need to see justice for people. Those on the Government Front Bench should have heard loud and clear today the strength of feeling from all parts of this Chamber and beyond. People will be shocked and disappointed that these things have been allowed to happen. It is unacceptable that banks have devastated people’s family businesses and feel deep shame at that happening. These things have devastated people, many of whom, as we have heard today, had good businesses that were ready to contribute to the economy and to aid productivity.

As the hon. Member for Stirling (Stephen Kerr) mentioned, an independent body is required. We call on the Minister to commit to and create a permanent commercial financial dispute resolution platform to serve the victims of mis-selling. He must pick up where the FCA has failed and produce a comprehensive review of banking culture to avoid a repeat of these things.

In the aftermath of the financial crisis, when all banks were required to rebuild their capital, it was alleged that the main focus of the Global Restructuring Group was to liquidate, rather than support, businesses through further lending. The main charge against GRG is that it prioritised the realisation of assets over other, more business customer-supportive actions. Recently, we have also heard accusations of the mis-selling of rate swaps, and GRG is not alone in drawing criticism. Recently, we have also heard accusations of the mis-selling of rate swaps, and GRG is not alone in drawing criticism. As my hon. Friend the Member for Dundee East (Stewart Hosie) mentioned, SMEs have complained about tailored business loans sold by the Clydesdale Bank.

The Tomlinson report was damning of GRG. Much of the evidence pointed to businesses that were otherwise perfectly viable in the medium to long term, as we have heard in much of the testimony today, being moved into the RBS turnaround division—the GRG—and being trapped there, with no escape. Businesses were sunk by the bank, with the bank taking out all it could, beyond what was reasonable, and to such an extent that it directly contributed to the businesses’ financial deterioration and, in some cases, collapse. Technical breaches were used as excuses. There was evidence in some instances of covenants being used to put businesses in default and to transfer them out of local management.

Time does not allow me to go further into some of the details of the inequities that have been visited on people who have suffered at the hands of GRG and as a result of the unfair business banking practices we have heard about today. The Government must ensure that there is a firm mechanism that is fair for people, so that they can get justice in this case. I look forward to hearing what the Minister will tell us at the end of this debate.

2.28 pm

Bill Esterson (Sefton Central) (Lab): I hope the Government will listen to the overwhelming case that has been well made on both sides of the House—including by speaker after speaker on the Government Back Benches—for action on behalf of small businesses in our constituencies.

We started with a powerful speech from my hon. Friend the Member for Norwich South (Clive Lewis), and I commend him and the all-party parliamentary group on fair business banking and finance for bringing this issue forward. I also thank all Members who have taken part in the debate and particularly my hon. Friend the Member for Cardiff Central (Jo Stevens), my right hon. Friend the Member for Tynemouth (Mr Campbell) and my hon. Friend the Member for Edinburgh West (Mr Bailey), for Bridgend (Mrs Moon), for Manchester, Withington (Jeff Smith), for Vale of Clwyd (Chris Ruane), for Rutherglen and Hamilton West (Ged Killen), for City of Chester (Christian Matheson), for Poplar and Limehouse (Jim Fitzpatrick), for Ogmore (Chris Elmore), for Gower (Tonia Antoniazzi), for Stretford and Urmston (Kate Green) and for East Lothian (Martin Whitfield).

When Carillion went bust at the start of the week, it struck me that there were similarities with the way that RBS treated its small business customers. In both
cases, smaller businesses—Carillion’s suppliers and RBS customers—have been imperilled by the actions of much larger players. I know of at least one business that, having been put into GRG, by the time of the successor division, years later, and as of this week is owed tens of thousands by Carillion that it is never going to receive. It is not good enough. The mistreatment of smaller firms must stop.

The news that banks are to provide additional support for Carillion’s suppliers is of course welcome, but this must not be just a short-term, headline-grabbing announcement. It must mean longer-term support, of the sort that was sorely lacking in RBS GRG and of the kind that was put in place by the Labour Government to support suppliers with the creation of the taskforce following the collapse of Rover in 2005. That is a good example for Ministers to follow.

What happened at RBS GRG was nothing short of a scandal and a disaster for the victims. Businesses were ruined, families were torn apart and people took their own lives. My hon. Friend the Member for Cardiff Central reminded us of the criminal convictions at Lloyds HBOS. There are many—some mentioned it today—who believe criminal investigations to be the appropriate way forward at RBS GRG. Justice is a vital step in the long process of rebuilding trust in business lending, which in 2016 was still so low that only 9% of smaller firms approached their bank to borrow money—and they did not all borrow. It is crucial to the success of our economy that there is a healthy relationship between the banks and smaller firms. We need our smaller firms to play their full part in contributing to the prosperity of this country. Relationships of trust are crucial.

The next Labour Government will introduce a network of regional development banks to support smaller firms, but those firms also need the help of the traditional banking sector and they need it now. Let us remember that, according to the Promontory report, 83% of businesses that were put into GRG were the subject of inappropriate treatment. Two thirds of businesses were viable, yet depending on which figures we look at, only 5% or 10% survived the process. The figure for inappropriate treatment of those who were potentially viable is higher, at 92%.

According to the then head of global markets, RBS decided to exit non-core markets. In practice, that meant getting businesses off its books as fast as possible, not by telling its business customers so that they could move to a new bank, but by putting them into intensive care—or rather, a slaughterhouse or mortuary, or on death row, to borrow the phrases used by my hon. Friend—charging exorbitant fees, using their own valuations and using interest rate-hedging products. Then there was the freezing of personal bank accounts, something that happened to my constituent John Pile. Mr Pile had never previously missed a mortgage payment on his commercial properties, yet the result for him and his family was the bank claiming that he had defaulted, despite having substantial sums of money in his personal account, which was frozen. He could have used that money, but was prevented from doing so by the same bank.

Customers who were making decent profits, whose rental incomes were well in excess of their interest payments, were put into GRG on the spurious grounds that their loan-to-values had suddenly dropped, on the basis of revaluations carried out by the bank’s own valuers. Then there was the overnight demand of repayment of overdrafts that were a key part of the day-to-day operations of many businesses. This was not proper turnaround practice—it was not turnaround practice at all for the customers. It was more like the turnaround of the bank at the expense of its customers. Perhaps the name, Global Restructuring Group, was a clue. It was a division responsible for the restructuring of the bank, not the small businesses that banked there.

Which brings me to the call for a full independent inquiry. Promontory carried out part one of its investigation for the Financial Conduct Authority. RBS does not want the report published, although much of it is now in the public domain, but nor does RBS want Promontory to carry out part two. Instead of sticking to its guns, the FCA has complied with the demands of the bank that it is supposed to regulate and gone for the in-house option. The suspicion will remain that such an approach means a lack of independence on RBS by its regulator. We know that the FCA is afraid of legal action if it publishes part one of the Promontory report because it told the Treasury Committee that, but it will simply not help to rebuild trust if the regulator is in fear of a bank and feels restricted in its ability to provide full oversight.

There are still many questions to be answered. Why were viable business customers put into GRG? At Ulster Bank, a substantial part of its business was deemed non-core and its customers were nearly all put into GRG. Meanwhile, there are disturbing parallels at other banks, affecting Dunbar Bank business customers and Acorn Finance, and we also heard about Bibby. They all tell a similar story to the RBS GRG story. Why did RBS not tell its customers when they were no longer core business and give them the chance to move to other banks? Who in management knew? Where was the oversight in the Treasury? Promontory says that management knew, so when will those responsible be held accountable? Why did GRG not follow turnaround procedures? This all needs to be in the public domain and properly acknowledged.

Until those questions are answered and those responsible held accountable, the victims will be denied justice, we will remain at 9% of smaller businesses asking their banks about borrowing money; and investment, productivity and prosperity will all be undermined. As my hon. Friend the Member for Norwich South says in the motion, the call, which has been well evidenced today, is for a robust system of dispute resolution. It is needed to overcome the imbalance of power in the relationship between smaller firms and their banks. That is also why the call for an inquiry into the treatment of SMEs by financial institutions and the protections afforded to them is the right call. And yes, it should look at all banks, not just RBS. No one else can intervene and ensure fair treatment. The regulator has had to restrict its activities under RBS pressure. Unless and until the Government intervene, this injustice and the long-term economic effects will continue to hold back a crucial part of our economy.

The issue of how RBS GRG treated its smaller business customers will not go away. The victims will not go away. Those of us across the House who want to see justice will not go away. The Government must now ensure that justice is done and seen to be done.
2.37 pm

The Economic Secretary to the Treasury (John Glen):
It is a privilege to stand at the Dispatch Box in my new role as Economic Secretary to the Treasury. I think we all feel the privilege of being Members of this House, but listening to today’s debate I also feel a great responsibility—to respond fully to the many serious examples that have been given of how the banking sector, and this group in particular, has failed so many of our constituents. I want to make it clear that in doing this job and in addressing the issues that have been raised today, I will stop at nothing in making improvements.

I begin by thanking the hon. Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) for initiating the debate, and the Backbench Business Committee for granting it. I also thank my hon. Friend the Member for Thirsk and Malton for his work in the all-party parliamentary group on fair business banking.

What we all care about—it has been made very clear in today’s debate—is that businesses form the lifeblood of our economy and they need a reliable mechanism to deal with disputes with banks. I am vividly aware of that, because I grew up not in a bank but in a small business. I know the risks, the anxieties, the sleepless nights, the pressures on family life and the lack of assurance over salary, so I understand that the experiences of small businesses and their relationships with banks really matter. The Government have always maintained a commitment to support and engage with businesses both small and large, and that commitment will continue unfettered.

The Government recognise that access to finance, which is the crux of the debate, is necessary for businesses to grow organically. We have a strong record of supporting businesses large and small, for instance, through measures in the Budget. The competitive tax regime—corporation tax was cut from 28% to 19%, the lowest rate in the G20—is a significant part of that, but what is really important is that businesses have access to money at a reasonable cost, with reasonable assurances on the terms of securing those funds.

A fantastic range of evidence has been presented to us today. We heard about Mr Smith’s engineering business in Bridgend and Mr Topping’s business in Hazel Grove. We heard vivid personal testimony from my hon. Friend the Member for Dumfries and Galloway (Mr Jack). My hon. Friend the Member for Thirsk and Malton gave the striking example of a monthly interest rate payment that rose, almost inexplicably, from £6,000 to £17,000 a month, leading to catastrophic losses. The hon. Member for Rutherglen and Hamilton West (Ged Killen) gave examples that went back eight years. There were further examples from the hon. Member for City of Chester (Christian Matheson) and my hon. Friend the Member for Stirling (Stephen Kerr), the hon. Member for Glasgow North (Patrick Grady), who spoke about Mr Mitchell, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), and the hon. Member for Gommer (Chris Elmore), who mentioned Mr Richards. In those cases, tortuous processes were necessary to secure redress or a meaningful dialogue leading to an outcome. My hon. Friend the Member for Eastleigh (Mims Davies) has told me about the Sayers family, who have also suffered. We heard further powerful testimony from the hon. Member for Strangford (Jim Shannon), who used uncharacteristically strong language—legitimately so.

I too have been contacted by constituents and I have been saddened to hear the stories of many former RBS customers. The Financial Conduct Authority is reviewing the situation; it has said that it is considering the matters arising from the report it commissioned and considering whether there is any basis for further action within its powers. It would not be appropriate for me to comment further at this precise time, but I will say that although, on day seven of my job, I have not yet met the head of the FCA, this will be the first topic that I will be raising with him.

Bob Stewart: Will the Minister give way?

John Glen: I do not want to give way too many times, but I will give way to my hon. Friend.

Bob Stewart: First, I congratulate the Prime Minister on having the extremely good sense to appoint such a wonderful new Minister—a great friend, and someone who is really going to sort this problem out. May I ask on behalf of everyone present for the Government to be onside to ensure that the people who have lost so much are recompensed properly? We are not talking just about the future; we are taking about dealing with the past.

John Glen: I thank my hon. Friend for his kind words. Of course we need to reach a stage where we have some answers. We need to know what went wrong, and we need to secure an outcome that is acceptable to our constituents.

It is important to recognise the fundamental need for financial providers to act in accordance with the rules of the FCA and the spirit of its principles. When they do not act in accordance with those principles, we need to have confidence in the mechanisms that exist to resolve disputes.

Norman Lamb: The Minister has not yet mentioned the role of whistleblowers. Does he agree that they are vital to maintaining the integrity of the financial system, that they need proper protection—an office of the whistleblower—and that they should be rewarded for being brave enough to reveal wrongdoing?

John Glen: I listened very carefully to the right hon. Gentleman’s remarks and he is absolutely right. We need a change to the culture to enable wrongdoing to be exposed and dealt with, and I will look very carefully at this matter and the principles in his suggestions.

I am very aware of the allegations and the powerful testimony made against RBS. I have taken on board the discussions we have had today, and later I will refer to some of the other substantive points raised across the House, but I want to be clear with Members: I saw the front page of City A.M. today, whose headline is “Go Hang”, and I do not condone the language in the GRG letter that RBS itself chose to release yesterday. I assure the House that the Government take these issues and any allegations of malpractice very seriously.

Nicky Morgan: Just for the record, will the Minister be very clear that RBS did not choose to release the letter; it was asked to do so, and like most other information, it has had to be dragged out of it by successive letters and attempts by Members of this House?
John Glen: I am grateful to my right hon. Friend for her intervention and acknowledge the work she is doing on the Select Committee, and it would be much more helpful to this process if RBS were more co-operative with the Committee and the legitimate process of scrutiny that she and her Committee members are seeking to undertake.

Not only do the Government take these matters seriously, but the FCA is well aware of them and continues to address this issue. As I said, it will be the first thing I raise when I meet Andrew Bailey very shortly. In October, the FCA released a detailed summary of its skilled persons report, which examined RBS’s treatment of SMEs in financial difficulty. The FCA is now investigating the matters arising from the report.

I am aware of the frustration over the time the process is taking. The outcome of this investigation and the action the FCA proposes to take is critical to small businesses across this country, but I remind Members that the FCA is an independent body. That is vital to its role, credibility, authority and value to consumers, and they would be undermined if it were possible for the Government to intervene in day-to-day decision making. We can set the law, but we then must be bound by it and respect the judgment and independence of the FCA.

It would not be productive for me to address from the Dispatch Box every specific case and allegation, and I want now to turn to the wider issue of SMEs and how disputes are resolved between them and their banks.

Ian Paisley (North Antrim) (DUP): The Minister is making a thoughtful speech. Can he assure the House that the FCA will not be a toothless bulldog and that it will actually have some bite?

John Glen: I think the FCA understands, in the light of today’s debate, where the pressure is leading to and what action we will need to take if its response is not effective.

The key issue for the debate today, which I discussed with all-party group members yesterday afternoon, is that we must remember that there are already multiple avenues for resolution. I understand the frustrations Members have expressed about their effectiveness, but our smallest businesses have redress via the Financial Ombudsman Service for quick and informal resolution of disputes, the FCA has the power to take action to address issues that require resolution, and there is also the usual legal recourse available for businesses.

Jo Stevens: Will the Minister give way?

John Glen: No, I am going to make some more progress, but I might give way later.

The motion calls for an independent inquiry into the treatment of SMEs by financial institutions, reflecting the frustration addressed by Members across the House today in respect of the experience of their constituents. A number of contributions have also focused on the proposed new tribunal system to deal with financial disputes between banks and SMEs.

As the industry, the FCA and the Treasury progress discussions on this issue, all avenues will be considered. The FCA is undertaking a review, and it launched a discussion paper on SMEs in November 2015. I feel that that is a very long time ago, so I am reassured to be able to report to the House that it will be making a statement on Monday 22 January on its 2015 SME paper and on its consultation on widening SME eligibility for the Financial Ombudsman Service. I shall look carefully at what it comes up with. The FCA has promised to consult on widening the remit of the FOS for small businesses—the detail of that will be known—and to take a view on SMEs’ access to redress more broadly. I hope and believe that we will see significant steps forward.

I have thanked the hon. Member for Norwich South and the right hon. Member for North Norfolk for raising this issue. I also want to mention the hon. Member for Sefton Central (Bill Esterson), who mentioned Lloyds’ support for SMEs in the Carillion supply chain. I am pleased to report that it has been announced since we have been in the Chamber that Lloyds is taking the required steps to help those facing short-term problems as a result of the Carillion group going into liquidation by providing £50 million to support the SMEs affected. It is essential that the small businesses exposed to the Carillion insolvency should be given the support they need by their lenders. I was with the Business Secretary yesterday when we met representatives of the banks to explain that to them. It is in the UK’s interest that our businesses continue to prosper and thrive. That will mean allowing them ready access to finance at a serviceable cost. This is about getting the balance right, and that is what the Government are helping them to do.

I thank all hon. Members who have contributed to the debate, and I will try succinctly to summarise the Government’s position. We certainly note the many intensely painful experiences and issues raised in the motion and by hon. Members in the debate. On GRG, it is right that we should wait for the conclusion of the FCA’s investigation of the matters arising from its skilled persons report before determining what further action needs to be taken. On the broader issue of dispute resolution, I remind the House of the existing avenues that are open to businesses, but the FCA is undertaking work to look at the relationship between SMEs and financial services providers. It is also right that we await the next steps in that area. However, I assure the House that this Government will continue to support businesses large and small when addressing these challenges.

Let my final words be these: small businesses and their continued success are critical to the continued growth and improvements in productivity of our economy, and SMEs’ improved confidence in the mechanisms to achieve redress from banks is crucial. In my role in this Government, I will be doing everything I can to ensure that the injustices that have been discussed today are addressed.

2.53 pm

Clive Lewis: I thank the Minister for his response, and I thank all the hon. Friends and hon. Members across the House who have taken part in this passionate debate today, whether they are self-confessed capitalists, such as the hon. Member for Hazel Grove (Mr Wragg), seeking to challenge crony capitalism or those such as my right hon. Friend the Member for Tynemouth (Mr Campbell) who are perhaps seeking more traditional socialist transitional demands. There has been almost unanimous support across the House for the motion.
We want justice for our constituents and a banking system fit for the 21st century. In effect, we seek nothing less than the renewal of the broken social contract between banks and the public. Unfortunately, the language used in today's debate has painted a picture of a social contract that lies in tatters. We have heard references to a web of deceit, a dash for cash, systemic abuse, parasitic relationships and asset stripping. Three words that we have heard repeatedly today are "enough is enough".

I want to make a couple of comments about the Minister's input. He said in his opening remarks that he and his Government would stop at nothing and spoke of the need for a fundamental culture change, but he then offered little except more warm words. I understand that he has been in his job for just seven days, but this situation has been going on for some time now and the issues are out there, a point which has been made clearly by Members across the House. The Government still seem to favour a solution involving the Financial Ombudsman Service, but even with some extension of its role, it is suitable only for low-level disputes. It has no powers of disclosure. It cannot enforce decisions. It has no teeth. It cannot adjudicate. It cannot deal with complex cases.

**John Glen:** I fully recognise the frustration that the hon. Gentleman is expressing, but I also said that the Government rule nothing out. We will see what the proposals are and respond accordingly. I think that that is a reasonable position given the relationship between the Government and the FCA.

**Clive Lewis:** I acknowledge the Minister's remarks, but time is not on the side of many people, so many of whom have been affected for so many years. I understand the Government's reluctance to say anything today, but they must come to a conclusion quickly. From listening to Members from across the House, we understand that if we rebuild justice and confidence in our banking system, that would be good for business and good for banks and would maximise our country's economic potential. I will conclude with the words of the late, great Errol Brown of Hot Chocolate fame—one of my favourites—because if we get this right,

"Everyone's a winner, baby".

**Question put and agreed to.**

**Resolved.**

That this House is deeply concerned by the treatment of small and medium-sized enterprises (SMEs) by the Global Restructuring Group of the Royal Bank of Scotland; notes that there are wider allegations of malpractice in financial services and related industries; believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds; further believes that a solution requires the collective and collaborative effort of regulators, Parliament and Government; and calls for an independent inquiry into the treatment of SMEs by financial institutions and the protections afforded to them, and the rapid establishment of a tribunal system to deal effectively with financial disputes involving SMEs.

### Holocaust Memorial Day

**Madam Deputy Speaker (Mrs Eleanor Laing):** Before I call the mover of the motion, I will say the same as I said at the start of the last debate. There is limited time available, and the allocated time for the mover of the motion is approximately 15 minutes. There will then be an immediate limit on Back-Bench speeches of five minutes.

2.57 pm

**Andrew Percy** (Brigg and Goole) (Con): I beg to move,

That this House has considered Holocaust Memorial Day 2018.

It is an honour and a pleasure to move the motion, and I thank the hon. Members for West Dunbartonshire (Martin Docherty-Hughes), for Hove (Peter Kyle) and for Eastbourne (Stephen Lloyd) for accompanying me to the Backbench Business Committee to secure this debate. I also thank all the other Members who are in attendance. It is a particular honour to start this year's debate having responded to last year's debate as the Minister, and I welcome the new Parliamentary Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), to his position. It was my first time responding to a debate on the Floor of the House of Commons, and I believe that it is his first time doing so this afternoon. I had been in post for a few months, however, and perhaps had an easier time than he will, so we all wish him the best of luck and congratulate him on his appointment. I also congratulate him and his Department on the recent announcement of £144,000 of funding to tackle anti-Semitism on our university campuses, which is unfortunately absolutely necessary.

When I spoke last year, I talked about my beliefs and religious place at that time. This year, I move the motion as a full member of the Jewish community, but when I responded to the debate last year, I was not quite there yet, although I was on the way. It is therefore a double pleasure to move the motion today.

Holocaust Memorial Day is well known to all of us in the Chamber, and hopefully to the broader country. It is held annually on 27 January and was established by the Holocaust Educational Trust. All Members are indebted to Karen Pollock, who is in the Gallery today, and to all her team for the fantastic work they do.

Holocaust Memorial Day commemorates the date on which allied forces liberated Auschwitz-Birkenau and was established by the Bill introduced by former Member Andrew Dismore, following his visit to Auschwitz-Birkenau in 1999. The first Holocaust Memorial Day was commemorated on 27 January 2001.

Last year's theme was how life goes on, and this year's theme is the power of words, which is a reminder that the holocaust started not with gas chambers, round ups and cattle trucks but with hate-filled words. That is perhaps of great resonance today, as we consider the continuing blight of anti-Semitism, prejudice and intolerance in our society and, sadly, in our politics. I am proud that as a Government, with strong cross-party support, we adopted the international definition of anti-Semitism, which UK police forces are sadly having to use more than they should.
Holocaust education became a part of the English national curriculum for key stage 3 in 1991 and has remained ever since—I think there is ongoing support for Holocaust education to remain in the curriculum. The holocaust is the only historical event that has remained a compulsory part of the national curriculum.

The holocaust is a part of history that is taught across the curriculum—it is taught in English, religious studies and citizenship—and I pay tribute to the excellent work of the Holocaust Educational Trust in delivering that curriculum across the UK. Although there are no formal requirements for Holocaust education in Wales, Northern Ireland and Scotland, it is of course regularly taught.

When I was a history teacher, I used to be responsible for teaching the Holocaust as part of the curriculum in my school and, as I commented last year from the Dispatch Box, it was always very difficult to deliver, not least because of the content. The enormity of this event is very difficult to convey to young people. It is difficult to explain to young people that within living memory and within the lifetime of people here today—some of whom experienced it, and some of whom may even have participated in it—whole communities were wiped out across Europe. Communities that had been there for centuries and that were integral parts of the history of those European states, and of Europe itself, no longer exist.

One way in which the scale can be seen—I recommend a visit—is at the Czech Memorial Scrolls Museum at the Westminster synagogue, where there are 1,564 Torah scrolls that come from communities that no longer exist, wiped off the face of Europe by the Holocaust. Whatever we try to deliver in schools, powerful though it may be, nothing compares to visiting Auschwitz-Birkenau or one of the other camps, where the industrial scale of this inhumanity can be fully understood. Many Members here, along with many students across the country, have benefitted from the programme run through the Holocaust Educational Trust. I encourage Members who have not already done so to take part in the programme if they have the opportunity.

Nothing can compare to the testimony of survivors, and those of us who attended the reception in Speaker’s House a few days ago heard some of those testimonies and saw the sadly dwindling numbers of survivors. As every year passes, fewer and fewer survivors remain. Last year, I told the story of Zigi Shipper, and I ended on his comments. After going back to Auschwitz after a very long time, having been convinced by his family, he stood beneath the world-renowned “Arbeit macht frei” sign, and he said that he felt nothing. It meant nothing to him because he had survived. He had built his life and had been victorious over those who had tried to destroy him. That was very powerful testimony.

This year, I want to tell the story of another survivor, Miriam Friedman, whom I had the privilege of meeting here at a Board of Deputies Mitzvah Day. It is important to tell these stories, because they can do more justice to this appalling period of history than anything I can think of to say. Miriam was born in Bratislava in 1934 and she told me she remembered a happy family life in an Orthodox religious family. They had a textile business. Her mother was a housewife and also highly educated. Miriam was one of six children. She attended a Jewish kindergarten in a community where Jews were very much a part of the fabric of that society. She lived an active Jewish life. Of course all that changed with the German invasion of Czechoslovakia in 1939, where Slovak fascists copied the anti-Semitic policies of Nazis.

When that war broke out, Miriam and her family were forced to move. They lived in different apartments and eventually moved town. When the decree came for all Jews to meet at the railway station, a family friend who was part of the Slovak police saved her. This is the story; it was all by chance and circumstance that they were lucky enough to know this particular person. A Jewish doctor proclaimed that the family had typhus and could not go on the train because they were infectious. So they were lucky on that occasion, but a short time later they were not so lucky. A loudspeaker announced that all Jews had to adhere to a curfew and be off the streets by 6 pm. Her father, sadly, was unable to comply with that and they never saw him again.

The remainder of Miriam’s family were eventually saved by two other families who agreed to hide them in a basement in a large block of flats. They were there until the end of the war. She told me the story of a day when the guards had heard a rumour that there were Jews living in that building and had come to search the apartment block. She told me that their lives had depended on the kindness of another neighbour in the block, who knew these particular Germans were coming and managed to get them so drunk that they were convinced they did not need to search this particular area of the building. She said that hiding and hearing that noise, her and her family contemplated suicide at that time. I hate to use the word “lucky”, because this was not a lucky existence, but in some respects she was lucky to have survived, because of circumstance. Sadly, Miriam later found out that the Nazis had murdered her father, brother and sister. She moved to the UK and now lives in London, and has shared her story and her testimony through the Holocaust Educational Trust and others.

Miriam’s story really fits in with this year’s theme of the power of words. Words really do matter, as we know in this place—I am talking not just about the words of those who spout hate, but the words of those whose job it is to call that hate out. I think we would all agree that silence is no excuse, nor are weasel words or bland statements, when words of intolerance and racism, particularly in the form of anti-Semitism, are ever spoken. Miriam’s story shows plainly what happens when a people are demonised and scapegoated and when conspiracy theories are left to run.

It is very sad that in Britain in 2017-18 anti-Semitism and racism at all should be a problem, but new figures revealed by the Community Security Trust last July showed that anti-Semitic incidents against the Jewish community in the UK have reached unprecedented levels—the highest levels of hate crime against Jews since records began 33 years ago. Let us just think about that for a moment; we are talking about the highest recorded number of incidents against Jewish people since records began more than three decades ago. That is why I welcome the announcement of £144,000 to help fight anti-Semitism on our campuses, and it is why this day is so important and why this debate in Parliament every year is so important.

In September, a study by the CST and the Institute for Jewish Policy Research found that stronger anti-Israel attitudes are linked to stronger anti-Semitic attitudes.
among Britons. In last year’s debate, I said from the Dispatch Box that I was becoming increasingly concerned about what I call the Israelification of anti-Semitism. That is not to say that people should not be allowed legitimately to call out the Government of Israel, or any other Government, but criticism of the Israeli Government is being used by some for more sinister purposes. That Israelification needs to be called out.

I have seen Israelification for myself. As I mentioned after the general election in the Westminster Hall debate on abuse and intimidation of candidates, during the campaign, in June last year, I was approached and screamed at for being “Israeli scum” and “Zionist scum”. I reported the individuals to the police, but they were unable to find them. Those same individuals found me again in a shopping centre in Doncaster on the Thursday before Christmas and again subjected me to a torrent of abuse. They ended up questioning why a Jew would want to be ordering food in KFC, and followed me to the exit asking me why I do not tell people that I am Jewish before elections. It started with anti-Israeli sentiment and descended very quickly into some significant anti-Semitic incidents. I must say that South Yorkshire police and Humberside police have been absolutely fantastic. We need to call out that kind of behaviour wherever it happens, which was why I did so from the Dispatch Box last year.

We have to be honest that we have a new threat: the new smear that anti-Semitism is being used as a cover for other things or as part of a witch hunt. I do not wish to step into party politics too much, but it is important for other things or as part of a witch hunt. I do not wish for new smear that anti-Semitism is being used as a cover last year.

We need to call out that kind of behaviour wherever it happens, which was why I did so from the Dispatch Box last year.

The theme of this year’s Holocaust Memorial Day is the power of words, and words really do matter, which is why, regardless of which side of politics we are on, we must all ensure that we and our leaders call out this sort of hatred whenever and wherever it exists. It is a problem not only on the left of politics but on the right. We saw it in Charlottesville, where people on the right marched in Nazi-esque torch-lit parades. It was alleged that some of them were chanting “Jews will not replace us.” So this is a problem on the left and the right and leaders must call it out wherever it happens.

I am conscious, Madam Deputy Speaker, of your clear instruction at the start of the debate that the mover of the motion should not take more than 15 minutes, so I shall bring my remarks to a close. We have a problem with anti-Semitism in this country at the moment, and we know it, which is why Holocaust Memorial Day is so important. Nevertheless, we should never forget that in many ways we are lucky that the lives of most Jewish people in this country are safe, and they can take part in their daily activities as full members of the community. When I was vice-chair of the all-party group against anti-Semitism, we saw a very different experience just across the channel when we attended a school in Brussels that was guarded by a Belgian military tank and armed guards. I asked the young people there whether they would ever go out wearing their kippah, and they said no.

There was recently a very sad story from France that did not get a great deal of coverage here, but I think it demonstrates why, more than ever, Holocaust Memorial Day is important. It is the story of a French Jewish teenage girl who was violently assaulted in a heinous anti-Semitic attack. She was wearing a Jewish school uniform when she was set upon in a Paris suburb and slashed across the face. She was left bleeding, shocked and very, very injured. This is one of a number of incidents that have happened. I ask Members to think: this was a 15-year-old girl who was slashed across the face for no other reason than that she happened to be Jewish.

Ruth Smeeth: The hon. Gentleman for giving way, for raising such an important issue and for speaking so powerfully about this issue. Does the case that he has just highlighted not make the role of the Community Security Trust even more important this year and in the years to come, and should we not be throwing our weight behind it and urging everyone else to do so too?

Andrew Percy: The hon. Lady knows an awful lot about anti-Semitism, and I could not agree more with what she said about the role of the CST.

I will end there on that example. We have heard Miriam’s story and the story of a 15-year-old girl, living now, here in modern Europe, who was slashed across the face for no other reason than that she was Jewish. That surely, surely proves to everybody why the Holocaust is such an important element of our curriculum and why this day, and remembering it and having this debate every year, is so important to ensure that this sort of intolerance is consigned to where it should be: the dustbin of history.

3.16 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on securing this important debate and on his powerful and inspiring speech. I, too, was privileged to attend Tuesday’s reception in the Speaker’s apartments to mark Holocaust Memorial Day, which was organised by the Holocaust Educational Trust.

To be in the presence of Holocaust survivors, and to speak to such remarkable people and hear their testimonies, is deeply moving. It must intensify our determination to challenge anti-Semitism, which was described by the late Robert Wistrich as “the longest hatred”. Now, more than 70 years later, the scourge of anti-Semitism still stains our society. Anti-Semitism is not confined to
Lady that at this time we ought to be celebrating and further to that intervention, may I also say to the hon.
resulted in the first UK Holocaust Memorial Day in cross-party backing for his private Member's Bill. That the then Member of Parliament for Hendon, received the UK, it began in this place when Andrew Dismore, anti-Semitic hate speech on our streets. Why? of al-Quds. No action has been taken against this was organised by groups including the Palestine Solidarity were also displayed at that demonstration. The event from the town in what is now Saudi Arabia. Swastikas of Mohammed is returning.” This refers to the battle of Translated, that means, “Remember Khaybar, the army of Mohammed is returning.” This refers to the battle of Khaybar in 628, where Jews were massacred and expelled from the town in what is now Saudi Arabia. Swastikas were also displayed at that demonstration. The event was organised by groups including the Palestine Solidarity Campaign, the Stop the War Coalition and the friends of al-Quds. No action has been taken against this anti-Semitic hate speech on our streets. Why?

Holocaust Memorial Day is a time for reflection. In the UK, it began in this place when Andrew Dismore, the then Member of Parliament for Hendon, received cross-party backing for his private Member’s Bill. That resulted in the first UK Holocaust Memorial Day in January 2001.

Bob Stewart (Beckenham) (Con): I thank the hon. Lady for allowing me to intervene. May I just say that, for me, Holocaust Memorial Day also includes other genocides such as the one I witnessed in Bosnia, where I buried 104 women and children in a mass grave, the Rohingya, and also Cambodia. I think that this is a very important time to remember anti-Semitism within the Labour party should be dismissed as “slurs against the leadership” are appalling and should be met with the contempt that they deserve.

We owe a debt of gratitude to the Community Security Trust, which so accurately monitors anti-Semitism and anti-Semitic discourse. Its latest report shows a shocking 30% recorded rise in anti-Semitic incidents in the UK for the first six months of 2017, with 767 such incidents reported.

The rise of anti-Semitic hate crime on our streets, meeting little or no challenge from the authorities, is a matter of growing concern. For example, it was reported that, on 11 December 2017, Tahra Ahmed, a volunteer running an aid network helping the survivors of the Grenfell Tower tragedy, claimed that the 71 people who perished were “burned in a Jewish sacrifice.”

Mark Gardiner of CST rightly condemned this as “a new depth of grotesque anti-Semitic racism.”

On 8 December 2017, at the American embassy protests against President Trump’s announcement recognising Jerusalem as the capital of Israel, demonstrators chanted: “Khaybar Khaybar, iya Yahud, Jaish Mohammed, sa Yahud”.
Translated, that means, “Remember Khaybar, the army of Mohammed is returning.” This refers to the battle of Khaybar in 628, where Jews were massacred and expelled from the town in what is now Saudi Arabia. Swastikas were also displayed at that demonstration. The event was organised by groups including the Palestine Solidarity Campaign, the Stop the War Coalition and the friends of al-Quds. No action has been taken against this anti-Semitic hate speech on our streets. Why?

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Mrs Ellman: The hon. Gentleman makes an extremely important point. Indeed, the people he named and others who contributed similar actions are recognised under a special category of the “righteous gentiles”. They are recognised in the Yad Vashem memorial in Jerusalem and also recognised in special British honours. They therefore have a very special place in our history and our minds.

Today we must reflect on the horrors of the past and the disturbing trends of the present. Together, as we commemorate Holocaust Memorial Day 2018, we must ensure that action is taken to tackle the longest hatred.

3.22 pm

Theresa Villiers (Chipping Barnet) (Con): It is an honour to take part in the debate on such a serious subject. Later this month, I shall be attending the annual commemoration for Holocaust Memorial Day hosted by Barnet Council in the quadrangle of Middlesex University, as I have been doing for many years now. This is a really important occasion for us in Barnet because we take huge pride in being a diverse, inclusive borough, made up of people from many different faiths, cultures and ethnicities. We are also immensely proud to be the home of one of the largest Jewish populations between New York and Tel Aviv.

The Jewish community plays a hugely valuable role in the borough of Barnet—in business, in public services, in schools, in civic life and in so many other ways. We are incredibly lucky in north London to be a place where many Jewish people have chosen to make their home. They are a community who have profoundly enriched our culture and quality of life, and I was very much aware of that in my years growing up in St John’s Wood. So for me, one of the reasons why I find the stories of those who perished during the holocaust to be so distressing is that it feels very close to home—so disturbing; so personal—to know that this horror was inflicted on the parents, grandparents and wider family of people who are such a core part of my network of friends, family and colleagues, without whom I would find life to be pretty bleak. Of course, I also have the privilege of representing a number of constituents who are holocaust survivors. I pay particular tribute to Mala Tribich for all that she does with the Holocaust Educational Trust to educate the new generation about what happened.

In my view, the holocaust was the single greatest act of evil in human history. I know that historians debate that. The numbers dying at the hands of Stalin were as great, and atrocities such as the holodomor in Ukraine were certainly acts of the most unspeakable cruelty, but the attempt by the Nazi regime to wipe out an entire ethnic group and harness 20th-century technology to deliver murder on an industrial scale seems to me to be without parallel in terms of the sheer stomach-turning depravity and evil of what occurred.

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3.28 pm

Joan Ryan (Enfield North) (Lab): It is an honour to follow the right hon. Member for Chipping Barnet (Theresa Villiers). We have visited the synagogue in Southgate together. I know how strongly she feels about these matters, as I think everybody does now.

Holocaust Memorial Day marks the darkest hour in human history. We remember and mourn the 6 million Jews murdered, as well as the Roma, disabled and LGBT victims of Nazi atrocities. We have a moral responsibility to listen to the stories of holocaust survivors. They speak not only for themselves but for those who did not survive to tell their story.

Earlier this year, I heard one such testimony from Edgar Guest, who spoke to pupils at Oasis Academy, a school in my constituency. Edgar was born in Budapest. In 1941, when Hungary joined the war, he lost his citizenship and was classified as an “alien Jew”. After Germany invaded, many of Edgar’s relatives were deported to Auschwitz and he was sent to the Budapest ghetto. He was marched halfway towards the railway station before being told to turn around and return to the ghetto. There he was forced to sleep in a room of 30, in a ghetto of 70,000 Jews, where he survived by earning an extra cup of soup a day by clearing away the dead bodies in the streets. His story is one small remembrance of the barbarity of the Nazi regime.

Edgar lives in Britain today, and he is still sharing his story at the age of 87. I would like to pay tribute to his courage and strength. The impact he has on school students is something to behold. We must give serious thought to how we carry forward such a message when we no longer have survivors with us to provide such powerful testimony.

The holocaust reminds us of where racism and anti-Semitism can lead. We must remember that the holocaust was the end of a process of state-sponsored racism that began on the streets of Munich and Berlin. The twisted road to Auschwitz began with a political party whose racist rhetoric won an election in a democratic society. There must be no complacency in the fight against anti-Semitism. We must tackle racism at its roots, weeding it out wherever we find it.

I applaud the Government for their adoption of the International Holocaust Remembrance Alliance definition of anti-Semitism. It gives us clarity in this fight, and it is unequivocal in stating that holocaust denial, comparisons of Israel to Nazi Germany and allegations of Jewish conspiracies are modern forms of this ancient hatred. I would also like to voice my support for the proscription of far-right fascist groups.

Despite the horrors of the holocaust, anti-Semitism has not disappeared. We have even seen its rise in British society recently, including, I am ashamed to say, in my own party. We must condemn unequivocally and combat relentlessly this despicable trend. We must remember that the fight against racism is also one of education. We must fight for our anti-racist values and ensure we instil a respect for tolerance, equality and human rights in future generations. I would like to thank Karen Pollock and the Holocaust Educational Trust for their dedication to this task, and in particular for facilitating talks by survivors, such as that of Edgar Guest in Enfield. We must hear the words of survivors; we must remember the holocaust’s victims; and we must commit ourselves to the fight against racism and anti-Semitism wherever it rears its ugly head.

3.32 pm

Bob Blackman (Harrow East) (Con): It is an honour to follow the right hon. Member for Enfield North (Joan Ryan), and I commend her for her bravery in speaking on those particular subjects. I congratulate my hon. Friend the Member for Brigg and Goole (Andrew Percy) on introducing the debate, and my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) on her impassioned speech.

Madam Deputy Speaker, may we place on the record our thanks to Mr Speaker for allowing the Holocaust Educational Trust to host its reception in Speaker’s House on Tuesday? That enabled us to honour the memory of the victims of the holocaust, but also to celebrate the survivors. Most importantly of all, in my view, it allowed us to congratulate the young ambassadors of the Holocaust Educational Trust, who are now spreading the word among young people about the horrors of the holocaust.

When I was at school—I was at school with many Jewish children from the area—no one ever spoke about the holocaust: it was forgotten about. When Kitty

[Theresa Villiers]

Last February, I had the privilege of visiting Yad Vashem museum in Jerusalem on a trip hosted by Conservative Friends of Israel. It was my second chance to see that exhibition. I would encourage every hon. Member in the Chamber to visit if they have the opportunity. Towards the very end of a truly emotionally draining experience, as the account of those terrible events unfolds before you, you reach the exhibit on the righteous among nations—the people who risked their lives to save Jewish people from the terrible fate that so many of them suffered at the hands of the Nazis. They include people such as Oscar and Emilie Schindler, whose story was captured so powerfully in Stephen Spielberg’s film; Nicholas Winton, who helped nearly 700 children to escape from persecution in what was then Czechoslovakia and never sought any recognition for his efforts; the people in Denmark who smuggled their Jewish population to safety in Sweden; and the population of Albania who defied the orders of the Nazis and refused to hand over lists of Jewish Albanians and gave sanctuary to Jews fleeing Germany. The remarkable assistance given by Albania was grounded in a concept called besa—a code of honour which literally means “to keep the promise”. One who acts according to besa is someone who keeps their word—someone to whom one can trust one’s life and the lives of one’s family.

While we are considering the most extreme example of the evil of which humanity is capable, this dark period of history has another side to it. In relation to certain individuals, it demonstrates great acts of courage and compassion. One of the many reasons why we should never, ever forget the events we are reflecting on today is to ensure that if the threat of this kind of atrocity were ever to return to this continent, we would not be found wanting—we would be among those brave enough to speak out and do everything we could to prevent it happening again. Today, once again, we all commit to oppose anti-Semitism and racism in all its forms and wherever it occurs.
Hart-Moxon visited this House, following her 90th birthday. I had the honour of having tea with her, and she described her journey of coming to this country and finding that the Jewish population of this country did not wish to talk about the holocaust. However, she was brave enough to speak out about its horrors and to make sure that young people understood what had happened. It is very hard to grasp the concept of human beings attempting to extinguish other human beings on an industrial scale. The fact that 6 million people were murdered systematically is very hard to grasp, but each individual is an individual case.

Bob Stewart: Just before she died, my mother told me that she went to Belsen as a Special Operations Executive operative in April 1945. I asked why she had never ever told me that before. She said, “Because I was ashamed.” I said, “Why were you ashamed?” She said, “Because this happened when my generation was living, and I felt ashamed that it happened. We were responsible because we did nothing about it in England.”

Bob Blackman: I thank my hon. Friend for that intervention. It allows me to join others in congratulating Karen Pollock and her team on their wonderful work. I will never forget my visit to Auschwitz-Birkenau, and the young people who started out brilliantly at the beginning of the day, but who, as the horrors unfolded, became quieter and quieter. We ended the day on those terrible railway lines, with candles, and that place brings home to everyone what can happen if people stand idly by. We knew, and were instructed, about the systematic approach—this was not a few people who were mad or crazy; it was a systematic approach that involved hundreds, if not thousands, of people who co-operated with the attempt to eliminate the Jewish population.

We should also remember that there is not just Auschwitz-Birkenau but a whole series of other camps, and we should ensure that everyone is aware of the various different death camps that were set up by the Nazis to achieve their desperate aims.

Daniel Kawczynski: On that point, the BBC regularly refers to “Polish death camps”, but there was no such thing. These were concentration camps set up by the Germans in occupied Poland, and it is important to remember that.

Bob Blackman: I thank my hon. Friend for his intervention, and we must ensure that people are educated on that point.

I visited the original Yad Vashem museum and saw at first hand the work that was done. I have also visited the new museum that commemorates all the victims of the holocaust and describes it in some detail. The individual accounts of those who survived the holocaust, now recorded on film, are desperately important, and we must ensure that holocaust deniers, and individuals in society who seek to justify it in some way, are called out in the right way and with the appropriate testimony.

Ruth Smeeth rose—

Bob Blackman: I will not give way to the hon. Lady because I have given way twice already and I do not want to take up too much time.

I am glad that we will have our own holocaust museum alongside the Palace of Westminster, and I look forward to that being developed so that we can bring young people here to see the importance of that element of society. There are also actions that we can all take. I was proud to sponsor early-day motion 743 for Holocaust Memorial Day, and I believe that 55 right hon. and hon. Members have signed it so far. The Book of Commitment will be available for Members to sign each day next week between 2 pm and 4 pm close to the Members’ cloakroom, and I commend that to all Members.

We also have the challenge of combating anti-Semitism on university campuses. One current challenge is that many Jewish children go to Jewish schools and are not exposed to anti-Semitism until they get to university. In my view, we are not preparing our young people sufficiently for what they may face, and I am delighted that the Government are taking action to combat anti-Semitism on university campuses by sponsoring visits for sabbatical officers to go to Auschwitz-Birkenau and to see at first hand what can happen if matters get out of hand.

As we have said, the holocaust started with words and other forms of anti-Semitism, and expanded to what we have seen in the death camps. We must commend all those who speak out against anti-Semitism, from whichever political party. I was proud recently to share a platform with hon. Friends on the Opposition Benches at my local synagogue, Stanmore synagogue, for a question and answer session, during which I commended them for their bravery in standing up and calling out anti-Semitism in their own party. I congratulate them on that, but I am sorry they have to do it. If ever we face such challenges in my party, I know that we will take a very robust approach indeed to combating anti-Semitism.

It is an honour to have participated again in this debate; since my election, I have participated each year in this debate. I trust that we will ensure that nothing like the holocaust ever happens again—certainly not in our lifetimes—on this planet that we all inhabit.

3.40 pm

Lyn Brown (West Ham) (Lab): As we know, the Nazis created and peddled myths about Jewish people; they dehumanised them, representing them as an existential threat to ordinary German citizens. Their propaganda was massively and horrifically effective. Hate-filled words enabled their crimes. It is startling how many of the myths they created reflected the Nazis’ own sickening plans and twisted thinking. In March 1942, well after the campaigns of mass murder had begun, Hitler said that the so-called Jewish wire-pullers aimed to “unite democracy and Bolshevism into... a conspiracy... to annihilate all of Europe”. They peddled fear: democracy a threat from the west, Bolshevism a threat from the east, and Jewish people threatening Germany and Germans from within. Goebbels said: “The Jew will not exterminate the peoples of Europe. Rather, he will be the victim of his own attack”.

This web of fiction was channelled into cruel and cynical propaganda, and it enabled the holocaust.

Ensuring that such fantasies would be believed by ordinary people was not easy. In 1937, teachers were instructed to
“plant the knowledge of the true danger of the Jew deep in the hearts of our youth from their childhood” — done using children’s stories. One, “The Poisonous Mushroom”, told children that just as they should not assume they could tell the poisonous mushroom in the forest from the good ones, they could not assume that Jewish people were good and honest just because they seemed that way — truly heart-breaking.

The state-sponsored propaganda also had effect in the Nazis’ puppet states. In Estonia, many of the mass killings of the holocaust were perpetrated by local collaborators, with very little oversight by the Nazi German occupying force. In 1941, Belgian collaborators launched a pogrom in Antwerp, burning synagogues and targeting the chief rabbi. It was among the first of the events of the holocaust in Belgium. The yellow star law had not even been introduced. The wave of unrestrained violence that night was directly and immediately incited by a screening of the Nazi propaganda film, “The Eternal Jew”, one of the most evil works of propaganda ever produced. It shows the squalor and disease Jewish people were forced to live in but claimed it was something they chose. Brutal, dehumanising scenes of Jewish people crammed in the ghetto were interlaced with scenes of rats swarming from a sewer, while the voiceover says that the rats are “just like the Jews among human beings...a race of parasites”.

The rhetoric has not gone away, in the UK or elsewhere. We have heard about the Nazi white supremacists marching through Charlottesville, their faces uncovered, some sporting machine guns, chanting, “Jews will not replace us” — a direct repetition of the Nazi lie. In an example from another continent, in October, following the debate last year in this place, the Myanmar embassy sent me a dossier, at the heart of which is a list of historical crimes attributed to the Rohingya Muslims as a group. It painted them as an existential threat to the Buddhist people of Rakhine, enemies manipulating the international community into sympathy with them. Where have we heard that before?

The language of extermination has power because the ground has been prepared. Nazis used teachers, newspapers, newsreels and the radio to do that; today, sowers of hate are equipped with the internet and social media. The propaganda of hate builds suspicion and prejudice until ordinary people believe a complete and utter lie. The history of the holocaust teaches us that if this kind of propaganda is allowed to breed and infect communities and even states, the lie — the evil myth — that those people create can be turned into murder on an industrial scale, the reality of a genocide, the holocaust: 6 million innocent men, women and children brutally and horrifically murdered.

3.45 pm

Paul Masterton (East Renfrewshire) (Con): East Renfrewshire is home to Scotland’s largest Jewish population. As their MP and as co-chair of the all-party parliamentary group on British Jews, I take my responsibility to that community very seriously.

Many Jewish people came to East Renfrewshire to flee the Nazis from the early 1930s onwards, and several holocaust survivors made the area their home, including the much-missed Ernest Levy. Although the number of survivors still with us falls, their stories ring around classrooms to ensure that our children are aware of what can happen when hate is left uncontrolled. We must never forget. The power of survivors’ words has been recorded in interviews that anyone can access via the Gathering the Voices website, of which the words of my constituents Henry and Ingrid Wuga form part.

Sadly, when we think of the holocaust, it can become simply a number — the number of those killed by the Nazi party: 6 million Jews. However, we must resist the temptation to reduce the barbarity of the holocaust to just a number of deaths. The magnitude of these crimes is often lost in a number that we simply cannot comprehend. That is why the Holocaust Educational Trust’s “Lessons from Auschwitz” remains so important. I pay tribute to Karen Pollock, whose impact on the next generation’s understanding of the holocaust and anti-Semitism should not be underrated. On a personal level, it has been a true joy to speak and work with her since my election. Karen and her team are defenders of the truth.

Pupils from Williamwood High School, St Ninian’s and myriad other schools in East Renfrewshire have benefited from seeing the reality of what man can do. Next Thursday, I will be attending a holocaust memorial event at Barrhead High School organised by sixth-year pupil Kirsty Robson. Kirsty became one of HET’s holocaust ambassadors after visiting Auschwitz with the trust in 2016, and her event will feature two holocaust survivors, who will discuss their experiences in front of staff and pupils, enabling them to see the contemporary relevance of the holocaust. Young people such as Kirsty are remarkable and vital in ensuring that the memory and lessons of the holocaust live on and are not forgotten when there is no one left to tell their personal story.

Alongside physical structures such as Auschwitz and Birkenau, we have as this year’s theme the power of words — the idea that words can make a difference for both good and evil. We are all aware of Anne Frank’s work and the impact her diaries have had on millions of children, but the power of words is not limited to the smiling young face that appears on the copies of her diaries. In stark contrast to Anne Frank, this theme can apply to Adolf Hitler’s personal lawyer and governor-general of the central government of the occupied Polish territories, Hans Frank. His evil was shown in his words, and the power of words ultimately condemned him. It was his words that enabled Raphael Lemkin to show the systematic action that was taken to wipe the territory clear of Jews and other so-called undesirables. From Lemkin came the very best of words and ideas: the doctrine of genocide — an idea and a word that has fundamentally changed our world order since 1945.

History has shown that words dictate action, and we must continue to challenge the language and views not just of our opponents but our friends, because when we normalise hatred, it leads to a sense that terrible horrors are part of the normal.

One morning, Hans Frank gave a speech at the University in Lviv. He announced the killing of 100,000 individuals. In the afternoon, he went and played a game of chess with his deputy’s wife, and he lost. He played a second game of chess, and he lost. What agitated him was not the immense mass killing in his name, but his failure against a woman in two games of chess.
I will end with the words of Kirsty Robson. I asked her why she felt it was important for her to become an ambassador and to work with the Holocaust Educational Trust to educate her peers. She told me:

"I feel a sense of duty to continue sharing the lessons that can be learned from the Holocaust following my visit. The trust does incredible work and I am utterly proud to have been one of the minds that has been shaped by them. I am steadfast in my belief that we must learn from the mistakes and heartaches of our past, taking note of the contemporary relevance of such events and ensure that the world we are shaping is one of acceptance and kindness, free of persecution and prejudice."

3.49 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op):
I join others in congratulating the hon. Member for Brigg and Goole (Andrew Percy) on securing this important debate. As he reminded us, the theme for Holocaust Memorial Day this year is the power of words. Like him, I will speak about what I think are the most powerful words in this context: the testimony of the survivors of the holocaust.

Like others, I have experienced hearing survivors speaking, in particular to children at schools they have come to speak at in my constituency in Liverpool and to those who have gone on the visit to Auschwitz arranged through the Holocaust Educational Trust, and also in the work I did between 2005 and 2010 at the National Holocaust Centre and Museum in Laxton, Nottinghamshire. Nothing can compare to the impact that the words of survivors have in shaping the mind and educating children about the horrors of what happened during the holocaust.

Holocaust Memorial Day has a vital twin importance: remembering the Nazi holocaust—so appallingly denied by some—but also dedicating ourselves to challenging modern-day anti-Semitism, racism, genocide and other mass atrocities. Rudi Oppenheimer was 11 years old and living outside Amsterdam when the Nazis invaded. He and members of his family ended up in Bergen-Belsen, but he survived, as did his brother and sister. His testimony of his experience of the holocaust has educated children around the world. When he was asked in a school why he thinks his testimony is so important, his answer was:

"Because we haven’t learned the lessons yet at all".

All of us have heard the voices of Tutsi from Rwanda, Muslims from Bosnia and young Yazidi women. These are just three examples; tragically, I could cite many, many others. On Monday, I hosted an event in Speaker’s House organised by War Child focusing on mental health and psychosocial support for children in conflict areas. We heard incredibly powerful first-hand testimony from two fantastic young refugees: Enana, who is originally from Syria, and Oscar, who is originally from the Democratic Republic of the Congo. Their testimony about what their countries have been through, and what they personally have been through as refugees from conflict situations, was very powerful and reminds us why Holocaust Memorial Day has such huge contemporary relevance.

In Liverpool, Holocaust Memorial Day is marked annually. Tonight, the University of Liverpool Jewish Society is hosting an event with holocaust survivor Joanna Millan. Next week, the Lord Mayor of Liverpool will open the Fathers House holocaust exhibition in Liverpool town hall. On memorial day itself, the Mayor of Liverpool will join faith leaders in a special service at the town hall to pay tribute to all those who lost their lives in the holocaust and genocides around the world.

Let me finish with another quotation from Rudi Oppenheimer, because this was the theme for last year’s Holocaust Memorial Day, about which the hon. Member for Brigg and Goole spoke: "Nobody should stand by". Nobody should stand by when we see anti-Semitism or any form of persecution or bullying. As my hon. Friend the Member for West Ham (Lyn Brown) rightly reminded us, we should not stand by when we see the awful persecution of the Rohingya Muslims from Myanmar/Burma. We should not stand by when we see the appalling humanitarian crisis in Yemen. And we should not stand by when we see rape used as a weapon of war, as it is in so many places, including against the Rohingya and in South Sudan, the Democratic Republic of the Congo and elsewhere. Let us, on a cross-party basis, use the opportunity of today’s debate and Holocaust Memorial Day next week to say once again that we will not stand by. We will listen to the voices of the survivors—be they from the holocaust, be they from Syria, be they Yazidi women, or be they from the situations in Myanmar or Yemen—and that we will work together as colleagues to stop all forms of oppression and challenge all forms of racism and persecution wherever they rear their ugly head.

3.54 pm

Dr Matthew Offord (Hendon) (Con):
I congratulate my hon. Friend the Member for Brigg and Goole (Andrew Percy) on securing the debate.

I remember attending the first Holocaust Memorial Day commemoration in Hendon back in 2001. It was held in a marquee in Hendon Park, on a site that has become a memorial garden. I think that that is a fitting place on the record their names and experiences.

Harry Olmer was awarded an OBE. He is a Mill Hill resident who was born in Sosnowiec, near the German border in south-west Poland. In the spring of 1940, his family were sent to another small village, as life in his home town was becoming very difficult. In 1942, Jewish residents were expelled from their homes, and after a selection, Harry found himself in Plaszow Concentration camp, near Krakow, then a munitions factory. He was then moved to Buchenwald, and then to another munitions factory in Schleiben. As the war came to an end, he found himself in Theresienstadt concentration camp, whence he was finally liberated by the Red Army on 8 May 1945. Two months later, he came to the UK, and worked as a dental technician and studied at evening classes before being accepted at Glasgow University to study dentistry. He later served in the British Army as a dentist.

A Hendon resident, Bernd Koschland, was awarded an OBE for services to holocaust education. I have known Bernd for many years, and he is well known to many people who attend the holocaust memorial service.
in Hendon each year. He came to the United Kingdom with the Kindertransport in 1939, after his father was deported to Dachau on Kristallnacht. On his father’s release, Bernd’s parents made the difficult, but sensible, decision to send him to England on the Kindertransport. In March 1939, he made the journey to England, and was later joined by his sister. In addition to his holocaust education work, Bernd was the chairman of the Barnet Multi-Faith Forum for 14 years, and I had the pleasure of working alongside him.

I want to mention the name of one other person, my Edgware constituent Lieutenant Colonel Mordaunt Cohen, who is the most senior Jewish officer who served in the British Army during the second world war and who received an MBE for his services to second world war education. Mordaunt joined the British Army after hearing about the horrors of Nazi Germany from children who had arrived on the Kindertransport. He fought in Burma from 1942 to 1945, which was in itself a horrific experience. After the war, he became chairman of the Association of Jewish Ex-Servicemen and Women. He celebrated his 100th birthday last year, and it was a huge pleasure and privilege for me to visit him in his home on that occasion.

To all three constituents, I say “Mazel tov, and thank you for all that you have achieved throughout your lives, particularly here in the United Kingdom.”

Last year, I spoke about a constituent of mine called Renee Salt. Since then I have visited Renee on several occasions to talk about certain things and to eat much of her cake, which she bakes at home. During one of our discussions, we spoke about another Hendon constituent, who died in 2008 and whom I had known. That was the Rev. Leslie Hardman. His link with Renee was that she was a captive in Bergen-Belsen, and he was one of the first British Army chaplains who liberated the camp. In his book “The Survivors”, he described how his colonel told him to go to the camp because “you’ll find a lot of your people.”

Leslie also wrote that one of his first acts was to officiate over the mass burial of 5,000 bodies, a scene that he described as “bodies interlocked, coagulated, disintegrated”.

I have a lot more to say, but time will not allow me to do so. Let me leave the House with a quotation from someone relatively unknown, Salmen Gradowski. On 6 September 1944, he wrote:

“May the world at least behold a drop, a fraction of this tragic world in which we lived.”

We can consider those words from the perspective of history, but knowing that they were found after liberation in a flask buried in the grounds of the Auschwitz-Birkenau crematorium makes them more powerful. I think that they illustrate this year’s theme of Holocaust Memorial Day, the power of words.

Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I am afraid that I must reduce the speaking time limit to four minutes.

Stephen Lloyd (Eastbourne) (LD): I thank the hon. Member for Brigg and Goole (Andrew Percy) for sponsoring the debate. It is a pleasure for me to co-sponsor it. This is the fifth or sixth time I have co-sponsored a debate on this important day. When I was first a Member of Parliament, I was proud to do so, and now that I am back in the House, I am even more delighted.

Let me also congratulate the indomitable Karen Pollock, who is in the public Gallery and whom I have known for many years. Without her, I do not believe that this day, and the impact and reach that it has across the country, would be as strong. She really does deserve an enormous amount of credit.

The theme of Holocaust Memorial Day this year is the power of words. I was reminded of that when I read some words only earlier this morning from Anne Frank, that remarkable young girl who wrote so beautifully in Amsterdam all those years ago. She wrote:

“When I write I can shake off all my cares; my sorrow disappears; my spirits are revived.”

That is such a powerful set of words for such a dreadful time by a remarkable young woman.

That comment and the power of words brings me to my own constituent. Eastbourne does not have a large Jewish community; in fact, it is fairly minuscule—probably only 40 or 50. Like everyone else in the Chamber and many across the country, however, I am here because we know that what happened was so wicked—as was what has happened so many times since in the different genocides from Rwanda to Cambodia and the rest—that if we do not emphasise and talk about this day, there is the constant danger that it will happen again. Indeed, it is depressing that when I last spoke on this day in the House the Yazidis were perfectly safe in Iraq and Syria. Two years later, they have almost been destroyed as a people. I therefore profoundly believe that the commemoration and remembrance on this day must never stop.

I have an extraordinary constituent in the small Jewish community in Eastbourne called Dorit Oliver-Wolff. She is a survivor, and she recently wrote an autobiography called “From Yellow Star to Pop Star.” She was born in Yugoslavia. When the Nazis invaded, she and her mother moved to Budapest when she was only five or six years old, and they somehow survived through the four or five years of the war from hand to mouth, travelling from place to place, creating new identities. It was when she was in Budapest that she first realised she was Jewish: she was only five years old and a woman spat at her in the street and called her “A stinking Jew.” Can anyone imagine anything more utterly incomprehensible than that to a five-year-old?

Dorit survived and flourished, and moved to Eastbourne 10 or 15 years ago. She is a remarkable woman. I highlight her story because in many ways she emphasises one fundamental strength irrespective of the wickedness of Governments and people: the unfailing goodness and strength of individuals. That was true in the war when so many individuals saved so many Jewish people from Poland to Bulgaria to Albania. They are the reason why I profoundly believe this day is worth remembering and will continually improve human nature.
Eddie Hughes (Walsall North) (Con): I rise very briefly to congratulate the ambassador programme and particularly one of my constituents who is part of it. Although we are talking about the power of words, it is often the person delivering those words who makes them more powerful, so it was fantastic to attend the event at Speaker’s House where we heard testimony from survivors, including a 94-year-old lady who said she would pass on the baton to the young ambassadors in that room, and rightly so at 94: it is about time somebody else took that strain.

Joe Collins is a constituent of mine. He first came to my attention because he is an active Conservative campaigner, but, more importantly, Joe is all the things that I am not: he got a very good set of A-level results and is going to York University, and he is young, bright and charismatic. If he is giving the message to young people, they are much more likely to listen.

Joe attended the lessons from Auschwitz programme and has subsequently become one of the young ambassadors. He has arranged events at his school; he is arranging a marathon; and he fundsraise all sorts of things to publicise this work. He brought Susi Bechhofer to Walsall Academy to speak to the students there. Her story is an interesting one. She was brought over on the Kindertransport when she was three years old to live in Cardiff. My understanding is that the people who acted as foster parents were supposed to undertake not to convert, or attempt to convert, the people they were fostering. Unfortunately, in this case, the foster father was a Baptist reverend and he had the children baptised, changed their names and brought them up as Baptists.

Susi became Grace Mann, and it was not until she was at school, preparing to take an English literature exam, that she discovered that that was not her original name. She was queuing up in alphabetical order with other children in the M section when the teacher came over to her and said, “You are in the wrong place. You should be with the Bs.” She had a vague recollection of being Susi Bechhofer, and spent the rest of the exam thinking about her new identity.

As Susi discovered more about her original identity, she decided that, having been raised as a Baptist, she would stick with the religion that she had grown up with, but that she would find out more about her other one. Part of the point of her story is that it is not just those who were killed or who suffered torture in the camps who were the victims of this dreadful abuse. Let us remember that 6 million people—two thirds of the European Jewish population at that time—were wiped out, but the ramifications went far wider. The ripples went on. I am grateful to Joe and to the ambassadors programme, and I am grateful that Susi took the time to visit Walsall Academy in my constituency and continues to share the message with young people.

Ian Paisley (North Antrim) (DUP): I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on bringing this matter to the House and speaking so well. I know that many Members will have appreciated the way in which he introduced the debate. I want to concentrate my comments on the Holocaust Educational Trust’s Lessons from Auschwitz project and how that has impacted on Northern Ireland. The project was delivered in Northern Ireland in March 2017, following the receipt of a grant of £160,000 from the Departments of Education and for Communities in Northern Ireland. This was the first time such a project had been delivered in Northern Ireland since 2008. I pay tribute to Karen Pollock for her lobbying work to ensure that every component part of the United Kingdom has access to the project.

We talk about the power of words, but actions also matter. For the past 10 years, various Departments and politicians in Northern Ireland had been saying that the issue of Auschwitz mattered, but when the time came for them to put their hand in their pocket and put departmental money on the table to make the project happen, it became clear that their words were simply lip service. I want to pay tribute to the two Ministers from the devolved Assembly whose actions made a difference: Mr Peter Weir from the Department of Education and Mr Paul Givan from the Department for Communities. They came together and ensured that money was put on the table to allow the project to take place in Northern Ireland. Other Departments, and the other Ministers who previously held those posts, will hope that they can come up to the same mark in the future, if the devolved Assembly continues in place.

Through the project, 166 students from 76 schools across Northern Ireland, as well as 27 teachers, were able to take part in a unique educational experience laid on by the Holocaust Educational Trust. The four-part course was open to two students from every school and college in Northern Ireland and incorporated a one-day visit to Auschwitz-Birkenau. On the visit, students first visited the town where the Nazi concentration and death camps were located and where, before the war, 58% of the population was Jewish. Students then visited Auschwitz to see the former camp’s barracks and crematoriums and to witness the piles of belongings that were seized by the Nazis. Finally they spent time at the main killing centre in Birkenau, where the day concluded with candle lighting and a period of reflection to remember the 6 million Jews murdered in the holocaust and the other victims of Nazi persecution.

We say that the term “the power of words” is important, but when we get the chance to speak to those students, we realise that the power of silence is really incredible, as they could not form words due to the tears coursing down their cheeks as they wondered what could have been, after seeing at first hand man’s hatred of man and how we must strive to ensure that such a thing never happens again. I congratulate all those who have taken part in this debate, and I hope that the power of words and actions will speak volumes for us all.
Last autumn, I met Martin Kapel, who lives in Headingley in my constituency, at a Woodcraft Folk event. He was talking to boys and girls who were the same age as him when he was expelled from Germany by the Nazis. My boys, who are also Woodcraft Folkers, were the age he was when he was taken from his family. The realisation hit me hard when I saw my own boys with Martin and I had to think of him enduring the grim reality of the loss of his family.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Does my hon. Friend agree that it is important that holocaust survivors such as Solly Irving are remembered, with their stories living on after they pass, so that we do not repeat the mistakes that have been made and instead create a better world for everyone?

Alex Sobel: That is one of the most important lessons of Holocaust Memorial Day and of our memories of the holocaust.

Many people’s only real insight into what the camps or the ghettos were like is through film. I have watched many of these films, including “Jakob the Liar”, “Schindler’s List” and “Sophie’s Choice”, but the most poignant for me is “Life Is Beautiful”, directed by the Italian comedian Roberto Benigni. The first half of the film is a romantic comedy about how Benigni’s character, a Jewish bookkeeper, falls in love with and marries an Italian woman in the 1930s. They then have a son, and Benigni’s character and his son get sent to a concentration camp. To protect his son, he pretends that the camp is a game and that the prize is winning a tank. I am unsure whether my children are quite ready to watch the film, but I would use it to introduce to them what the horror of the holocaust means, because it is the most human and poignant telling of the holocaust that I have seen.

The holocaust has deeply affected my family. My parents were born in 1946, and I remember sitting in my great-aunt’s kitchen in Tel Aviv as a young child, seeing the numbers tattooed on her arm and asking my father, “Why?” She was in the camps. She did not have her own parents or grandparents. I had no aunts or uncles or cousins to play with, because the Nazis experimented on the children or grandchildren. I had no aunts or uncles or cousins to play with, because the Nazis experimented on the children or grandchildren. I had no aunts or uncles or cousins to play with, because the Nazis experimented on the children or grandchildren. I had no aunts or uncles or cousins to play with, because the Nazis experimented on the children or grandchildren.

That is my living memory of what happened, and it is seared into me when I make my own political judgments or when I make decisions about the genocide happening now to the Rohingya or the Yazidis, or elsewhere around the world. It also happens when I think about decisions I make and the power we have to ensure that those people do not come forward. We sit beneath the plaque to Jo Cox and remember that she was struck down by these same people on the far right. It is our duty here in this place, and the duty of everyone in this country, to stand up for tolerance and pluralism and to act against intolerance and extremism.

4.15 pm

Christine Jardine (Edinburgh West) (LD): I thank the hon. Member for Brig and Gooole (Andrew Percy) for securing this debate and congratulate everyone who has taken part on their powerful and moving speeches. It is an honour to take part in this debate in remembrance of an event that, in its own way, challenges the power of words adequately to express the horror and sorrow of the holocaust.

Three years ago, I visited the Yad Vashem memorial in Israel. As I was taken around that remarkable monument, the experience was at times emotional, as well as inspiring and thought-provoking throughout. It is a dark, oppressively restricting space—a tunnel in a hillside—and as we travelled through it, guided as we were by a holocaust survivor, the personal testimonies we heard and the things we saw represented to me one of the bleakest periods in modern history—indeed, human history.

When our tour focused on the concentration camps, my mind was flooded with thoughts of the survivors I have been privileged to meet as we heard the testimonies of the suffering. I also thought about the young people I know who have visited what remains of the concentration camps across Europe, and about their reactions.

My daughter, who was born more than half a century after the war ended, visited because she felt she had to but, unlike other places of historical importance she has visited, it is something she rarely talks about. Like many, we took her as a child to Anne Frank’s house in Amsterdam, and she was fascinated. When we came home, she fell in love with the words of that youngster who lived her life hidden because it was the only life she was allowed. Hers were informative, moving words.

When my daughter has visited other memorials, she has talked about them, but not when she came home from visiting Theresienstadt, which represented something more. She faced up to the fact that it was all real; that this was where so many stories, like that of the little girl living in a loft whose powerful words she had fallen in love with, had ended; and that if that horror were ever to return, many of the people she loved would meet the same fate. Perhaps it was a similar feeling that moved Andrew Dismore on his visit to Auschwitz-Birkenau, and we should thank that visit for enabling us to dedicate a day to holocaust remembrance, but how do we adequately remember an event when its sheer horror challenges everything we want to believe about humanity and ourselves? How?

Perhaps Yad Vashem points the way. It is a tunnel in a hillside through which visitors proceed. In near darkness, they hear and see the emotionally numbing truth and heartbreak of the holocaust, but then, like all tunnels, the light at the end begins to grow until they emerge into the sunlight—it is a completely apt and quite deliberate metaphor.
In remembering the holocaust, we should take that metaphor to our hearts and remember that, unlike the many millions who hid in darkness or died in the bleakest of circumstances, and unlike the many victims of war and genocide in the past and in the current day—like those in Srebrenica and the Rohingya—we live in the sunlight. We should cherish that, and we should think of them every day that we enjoy it.

4.19 pm

Liz McInnes (Heywood and Middleton) (Lab): It is an honour to speak in this debate and to follow the hon. Member for Edinburgh West (Christine Jardine) and my hon. Friend the Member for Leeds North West (Alex Sobel), who spoke so movingly. I do not think anybody in this House can fail to have been moved by his personal testimony, so I thank him for that. I also thank the hon. Member for Brigg and Goole (Andrew Percy) for securing this debate and the Backbench Business Committee for granting it. I also thank the Holocaust Educational Trust for the work it does in ensuring that as many people as possible, from every background in the UK, are aware of the holocaust and particularly of its contemporary relevance.

The HET has shared some amazing pieces of writing from survivors and victims, which really show the theme of this year: the power of words. One poem that particularly struck me was written by a survivor of Auschwitz-Birkenau, Avram Schaufeld. He wrote:

“Do not ask
How did you survive?
Because this is a question that causes me pain
and brings back memories...
I know that you mean well and are sympathetic
and would like me to talk to your youth group
or your son who is writing a paper on the Holocaust
and I could help him with this subject which is part of his exams
You add with a smile, that no amount of reading is the same
as talking to a survivor
From your eager expression I can guess
what you expect me to tell him
About our bravery and how our faith in God
helped us to survive...
I lie and say that I am too busy
that I have other commitments
and quickly take my leave and turn away
so that you cannot see the hurt in my eyes
Do not ask me why”.

Avram Schaufeld was the only member of his family to survive the holocaust. His poem addresses the theme of words from a rather different perspective and articulates his understandable reluctance to talk about the horrors of his past. But each year there are fewer and fewer survivors of the holocaust, and we must be grateful to all those who have gifted us their memories and testimonies—their words live on.

In my constituency of Heywood and Middleton, we will be gathering together on the evening of Monday 29 January at Heywood civic centre for a commemoration service to remember victims and survivors of the holocaust, Nazi persecutions and other worldwide genocides. This event has been organised by Rochdale Multi-faith Partnership, whose stated aim is to challenge religious prejudice and misconceptions, to promote justice and cohesion, and, recognising the theme of this year’s Holocaust Memorial Day—the power of words—to encourage open and respectful dialogue. In the borough of Rochdale, where there are sadly some who seek to divide our diverse communities, I cannot overstate the fantastic work done by Rochdale Multi-faith Partnership in bringing communities together in a spirit of mutual understanding, including those of no faith. I am hoping to attend the ceremony myself, but I will be subject to the power of the words from the Whips Office on that particular date.

In conclusion, we must never forget the lessons from this horrific part of recent history. Only today we heard in this Chamber about a report on the Rohingya crisis in Bangladesh and Burma, and we must redouble our efforts to end this humanitarian crisis, which has been described by the UN as a “textbook” case of “ethnic cleansing”. We must all remember the lessons of the holocaust and never forget that evil triumphs when good men and women do nothing.

4.23 pm

Jim Shannon (Strangford) (DUP): First, I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on bringing this debate to the Floor of this House. As is well known, I am a strong supporter of Israel, as others are. I believe in the nation of Israel and support it. Today, I stand, as others have, in solidarity with those from all over Europe who were culled like the lowest of animals due to their belief and because a regime could not tolerate the ideal of freedom of religious belief for anyone.

I congratulate the right hon. and hon. Members who have given fantastic speeches and made a terrific contribution to today’s debate. I have spoken every year in this Chamber on this topic and as long as God spares me, I will always take the time to remember and mourn the holocaust.

I recently watched a snippet of a programme, one that many people are probably aware of as it has been making the rounds on Facebook. It showed when Sir Nicholas Winton, who rescued 669 children from Nazi death camps, was honoured and was in a room with many of the children he had saved—they were now adults with their own children. Those who have seen the programme will know what I am going to say. Those people were alive because of the sacrifices and decisions that Nicholas Winton took. It was hard not to be moved by the 104-year-old Nicholas Winton giving an interview and making a life-changing statement when he was asked what made him think that he could save lives. His answer was simple:

“I work on the motto that if something is not impossible, there must be a way of doing it.”

It was simple for him, but he did a great thing.

Ruth Smeeth: I thank the hon. Gentleman for speaking about Nicholas Winton. Last year, we celebrated, and in fact made a film about, the children who survived and were brought to Stoke-on-Trent because of Nicholas Winton. Those children had no connection at all to our city, but have gone on to be huge ambassadors for it and for our country. That should be applauded at every opportunity.

Jim Shannon: I thank the hon. Lady for her pertinent, honest and personal words. I am fortunate that in my constituency we have Kindertransport children, who were
saved by those who took the time to bring them across. There is a farm in Millisle known as McGill’s farm, which is where the young children who came over during the second world war stayed. Some of them stayed and never went home: they came from Germany to Millisle in my constituency, where there were people who loved them and looked after them.

I long to see a generation of Nicholas Wintons reaching out from the UK again, making a difference to the world and leaving a legacy of hard work and moral character for later generations. As I watched that short snippet, it was hard not to get emotional because the next generation of children, including my own granddaughters, will not get to see these kinds of stories at first hand. Others have referred to how important it is that we record these stories and have this event every year, so that we can commemorate the holocaust, remember those who were murdered and think of those who survived. It is also important to remember that many of those who survived are no longer here.

The sight of an actual lady in that programme thanking Sir Nicholas is something that is now imprinted in my memory, and in the memories of many others. It is sometimes easy to watch a film and see the Hollywood slant. It makes it very real but also slightly deadens us to the emotional fact. Seeing the faces of those who managed to survive the camps but knowing that 6 million did not makes it very real. As that realisation sank in, so did the realisation that now more than ever we must make a concerted effort to teach our children not just the figures—it is not only about the 6 million figure, which is horrific and shocking enough—but that these were lives lost, that an entire nation was slaughtered, that a people were forever wounded and that this was an atrocity that can never be allowed to happen again. We need to reaffirm our desire never to see that atrocity repeated by ensuring that all schools throughout the nation do not simply pay lip service to the holocaust by teaching numbers and that children see real-life stories and understand the human cost, as I believe they have. The stories of how humanity sank so low must be clear to ensure that we never sink so low again.

I wish to use again the phrase used by the hon. Member for Heywood and Middleton (Liz McInnes)—just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs just because it is oft repeated, that does not mean it is of any less value.

Then they came for the Jews, and I did not speak out—Because I was not a Jew.

Then they came for the Jews, and I did not speak out—Because I was not a Jew.

Then they came for the Jews, and I did not speak out—Because I was not a Jew.

Then they came for me—and there was no one left to speak for me.”

Quite simply, we have to speak out for those who cannot.

4.28 pm

Martin Whitfield (East Lothian) (Lab): It is a true privilege to speak in this debate. I send my compliments to the hon. Member for Brigg and Goole (Andrew Percy) for securing it and to the Backbench Business Committee for facilitating it. It was a true privilege to listen to my hon. Friend the Member for Leeds North West (Alex Sobel). In listening to his speech, we were privileged to experience the power of words. That power is hugely important.

I had a marvellously prepared speech, but I am going to cast it to one side. As a primary school teacher, it was a privilege to talk to children and to be there when they discovered new things and new facts. It has been a huge privilege this week to send out to the schools in East Lothian the Holocaust Memorial Day packs provided by the trust.

I wish to share my experience of coming to understand about the holocaust. I had the luck and, again, the privilege of listening to a survivor when I was at school. I remember us all sitting around in the hall when this lovely lady came in. She seemed terribly old and terribly far away, but her opening words were, “I was at school.” Suddenly, she had us all—there may have been 70 of us in the hall—in the palm of her hand. She shared with us an experience that she wished we would never have, and she shared with us an experience that has stayed with me ever since. The word “privilege” gets used a lot, but it was a great privilege to listen to a survivor.

I wish to extend my compliments to the ambassadors as they take over from those who are living now and who have experienced what happened. They will take the experience forward and spread it out.

Social media is a great, great tool in the hands of the right people, but, unfortunately, it is used sometimes for truly horrendous things. I would like to take this opportunity, in thinking of the power of words, to say that we who have the power of words must point out what happened to those people who are still to learn about the holocaust and to those people who are learning empathy through listening and understanding about what happened. We must also hold out against those people who want to misrepresent what happened, those people who have forgotten the important lessons of history and those individuals who just deny what history so clearly tells us. We must not forget. The importance of this day and the importance of this debate rests with us and in doing that.

4.31 pm

Mike Gapes (Ilford South) (Lab/Co-op): My hon. Friend the Member for Leeds North West (Alex Sobel), in his absolutely powerful and moving speech, made reference to films. There is another—Steven Spielberg’s fantastic work “Shoah” in which survivors living at the time all gave their testimony, speaking in their own words for the record. Hopefully, those words will be there for generations to come.

Twenty-one years ago, I introduced a private Member’s Bill on holocaust denial. It was a precursor to a private Member’s Bill on Holocaust Memorial Day promoted by my former hon. Friend the Member for Hendon, who came in in 1997. We did not get the Bill on denial, but we did get the Bill on memorial. I received an incredible amount of anti-Semitic abuse. For two years after, I received specially printed Christmas cards with the most vile images. The assumption was that I was Jewish. Actually, I am not; I grew up in Ilford and the mum of one of my best friends at school always thought that I was Jewish because I was always round there, but I am not.
Interestingly, after the election in 1997, I decided that I was going to do more about these issues. Then a group was established locally that campaigned against me because I supported a two-state position in the middle east. The group, which called itself the Association of Ilford Muslims—I do not have the time now, but I refer Members to my Westminster Hall debate that I held in June 2001—put out leaflets saying that I was no friend of the Muslims, I was a true friend of Israel, and I represented Tel Aviv South, not Ilford South. Subsequently, the Muslim Political Action Committee UK was set up. It has peddled on the internet and through social media anti-Semitic material, which it dresses up as anti-Zionism. It has targeted people in election campaigns, including in Rochdale, Oldham, Birmingham, Blackburn, in my constituency and elsewhere to try to get rid of people it regards as pro-Zionist MPs—mainly Labour MPs, but Conservatives as well. That has been the power of their message. It is insidious, and it is in our politics.

I am very pleased to say that next Friday in Ilford we are going to have all communities, as we always do—Muslims, Christians, Buddhists, Jews—

Lyn Brown: May I just ask my hon. Friend for the venue?

Mike Gapes: Valentines Park in Ilford, at the holocaust memorial garden, which was established on the initiative of the former council leader—still a Conservative councillor—Alan Weinberg. We will have our annual service there, and there will be young people from many different schools, including, as in recent years, young people from a Muslim school—the Al-Noor school. We have many different people from different faiths speaking, because that is Ilford today. A century ago, Ilford had a very large Jewish community, but now we have all the different communities, and they have come together.

It is important to recognise that the poison that was put out against me all those years ago did not succeed. I am still here. More importantly, the community has rejected extremists of that kind, but they are still there. They are out on Twitter. They are out on Facebook.

Ruth Smeeth: My hon. Friend makes a powerful case for how much has changed locally. This debate is all about the power of education, and that has a huge impact in my constituency and across the country, which is why the work of the Holocaust Educational Trust is so important.

Mike Gapes: I absolutely agree. I had not been to Auschwitz before 2013, when I went with a group of young people from schools in the south of England—there were not people from my constituency on the day that I was available. Every year, young people from many of my local schools go there, and those young people come back and talk about their experience, and spread the message in our community.

In our modern, pluralistic, democratic society, we must never forget the events of the holocaust. We must also remember the more recent genocides in Rwanda and Cambodia and what happened to the Yazidis. As the Foreign Affairs Committee and the International Development Committee pointed out in their recent reports, we also need to highlight the plight of the Rohingya today. We must stand together as a community and fight these evils.
they can add their voices to proclaim ‘never again.’ And may we remember those who perished, not only as victims, but also as individuals who hoped and loved and dreamed like us, and who have become symbols of the human spirit."

Former President Obama chose his words carefully, as must we all in politics around the world, so as not to allow this extremism to permeate again.

We must acknowledge the sad reality that a few decades hence there will be no one left who is able to offer a first-hand account of their experience of the holocaust. That is why the work of the Holocaust Educational Trust is so important—for example, in organising the event in Speaker’s House on Tuesday, or the football match between MPs and family members of survivors that took place last week. In that match, MPs, including me, played against—and lost to—Darren and Robert Richman, grandsons of Zigi Shipper, who when he was just 14 was taken from the Łódź ghetto to Auschwitz. Many who travelled with Zigi were murdered within an hour of arriving. He survived Auschwitz and was liberated by the British Army after a death march to Neustadt.

Also playing was Justin Spiro, the grandson of Harry Spiro. Like Zigi, Harry was just a boy when he was forced to work in a glass factory in the Piotrków ghetto. In 1942, the Nazis announced that all those working in the factory should attend work and everyone else should stay in their homes. Harry’s family and 22,000 other people in the ghetto were taken to Treblinka extermination camp, where they were murdered. Harry was eventually liberated by the Soviets and came to Britain as part of the group of youngsters who were later known as “The Boys”. I wish I could say more about some of the other survivors’ stories that were shared with us at the football match.

I quoted George Orwell’s comment on the history of anti-Semitism in fiction, but literature and art in general can play a more positive role in the world by portraying and expressing the personal experience, emotion and impact of real-world events in a way that is not always fully revealed by statistics alone, regardless of how extreme those events may be. I will finish with a quotation from novelist Vladimir Nabokov, who escaped to America with his Russian Jewish wife in May 1940, just prior to the Wehrmacht’s arrival in Paris, where they had been living at the time, and whose own brother would later perish in a Nazi concentration camp. In one of his novels, written just over a decade later, the central character reflects on his former lover, whose death in the holocaust he has just been reminded of when he is asked by another character if he had heard about her “terrible end”. The central character reflects that he had not thought about her until that moment “because one could not live with the thought that this graceful, fragile, tender young woman with those eyes, that smile, those gardens and snows in the background, had been brought in a cattle car and killed by an injection of phenol into the heart, into the gentle heart one had heard beating under one’s lips in the dusk of the past.”

4.44 pm

Yvonne Fovargue (Makerfield) (Lab): It is indeed a privilege to speak in this debate, because I believe it shows the best of this House when we come together in a common cause. I thank the hon. Member for Brigg and Goole (Andrew Percy) for securing the debate and for his powerful speech, and hon. Members on both sides of the House for their powerful contributions. I am sorry that I do not have the time to pay tribute to all those who have spoken, but I must mention my hon. Friend the Member for Leeds North West (Alex Sobel), who did indeed demonstrate the power of words, however difficult it must have been for him to share that story. I am so pleased that, with all-party support, this debate is a fixture in the calendar. It is not, however, just a fixture or something we do by rote; it is there to remind us of the horrors of the past and for us to look forward to the future. Sadly, this year, it is needed more than ever.

The power of words in this place is well recognised—sometimes, too many words—so it is an appropriate theme for Holocaust Memorial Day. I thank the Holocaust Educational Trust for all its work and for deciding on this as its theme. I have visited Dachau and I have visited the Washington Holocaust museum, and it is ironic that words could not describe the experience we had going round them. I have never been to a place where there was complete silence as people viewed and experienced everything there. That was particularly the case in Washington, where visitors are given a card with a name on, and when they come out at the end they are told whether they have survived—and, sadly, nearly everyone does not survive the experience. It took a good 10 minutes for us even to speak after that experience.

We are grateful to the survivors because they speak about their experiences and, however hard it is for them to do so, they tell us what it was like for them and their families. They are not just nameless and faceless victims, and they are not just 6 million; they are people with families—they were brothers, sisters, mums, dads. In a time with fewer survivors, we have to ensure that their words and their experiences live on and are communicated to future generations. As Anne Frank wrote, the words in her diary were a way of living on; she did not know that they would be her only way of living on.

We have to remember that words can be a force for good as well as a force for evil. Sadly, on this Holocaust Memorial Day, we are reminded that anti-Semitism and hate speech are no longer just in the past. As a child, I was told, as I am sure many people were told, “Sticks and stones may break my bones, but words will never hurt me,” but words do hurt: they are the start of hurting people. They are the start of stereotyping, name calling and vilification, which dehumanises people. Sadly, this is still happening today, possibly facilitated by social media, which allows people to say things anonymously that they would never say to somebody’s face.

I am very sorry that colleagues and others on both sides of the House have suffered some of this vilification. They should report it, and it the duty of all of us to support them if they are suffering from this vilification. It is our duty to call out, and to support others in calling out, anti-Semitism and hate speech wherever it is found. As my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) said, we cannot stand idly by. To stand idly by is to give tacit support to those who hate. Holocaust Memorial Day is not just to look back on a period of history; it is to reflect on how this happened. It is to reflect on how ordinary people were divided against each other and could commit dreadful atrocities on another human being, because words had told them that those others were not human beings, that they were a different race and culture and that that was bad.
Such things are not bad: differences should be celebrated, not vilified. It is our duty to show that we can reflect and look forward and to demonstrate by our actions and our words that we will not stand idly and silently by.

4.49 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): I thank the Backbench Business Committee, and I commend my hon. Friend the Member for Briggs and Goole (Andrew Percy) for securing this vital debate. I am honoured that this will be my first speech from the Dispatch Box. I thank my hon. Friend for his warm words, and I hope that I am able to offer the House even half the eloquence with which he spoke this time last year and earlier this afternoon. I agree entirely with the hon. Member for Makerfield (Yvonne Fovargue): it has been a privilege to hear hon. Members from across the House make powerful and—especially in the case of the hon. Member for Leeds North West (Alex Sobel)—very personal contributions to this debate.

This year the theme for Holocaust Memorial Day is the power of words, and that has been demonstrated perfectly in the Chamber today. Like many others, my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) and my hon. Friends the Members for Hendon (Dr Offord) and for East Renfrewshire (Paul Masterton) shared moving stories from their constituents. As the last of those who survived the holocaust are lost to us, the weight of those words, stories and memories only becomes greater. My young daughters’ generation will not have the privilege of hearing about the horrors of the holocaust from those who lived through it, and the task falls to us, and to the young ambassadors mentioned by my hon. Friend the Member for Walsall North (Eddie Hughes), to keep alive the terrible lessons that the holocaust teaches. We must remind a new generation of where the road of prejudice, hatred and dictatorship ultimately leads.

In truth, the words so often associated with the holocaust—“never again”—have too often proved false. Whether in the tragedies of Srebrenica or Rwanda, the violence that stems from prejudice has never truly left us. Sadly, as we heard today, that prejudice is still prevalent. A comprehensive survey by the Institute for Jewish Policy Research concluded that 30% of the UK population hold one or more anti-Semitic attitudes—30%. Anti-Semitic incidents recorded by the Community Security Trust rose by 30% in the first half of last year, to their highest level since the trust began collecting records in 1984.

The truth that the holocaust teaches us is that the fight against anti-Semitism, racism and religious intolerance never truly ends. Every generation must fight it again, and every generation must choose between a common humanity, which is the shared inheritance of all, and the narrow bigotry that sees some as more human than others.

Ian Paisley: Does the Minister consider that it would be beneficial to reach out to those young ambassadors and lay on a special reception for them, either at Downing Street or here in Parliament, so that they can be inspired and know that they can go out and advocate with courage, strength, humility and power the words that are necessary to convey this important memory to the next generation? I am talking about people such as Keri Bickerstaff of Bloomfield Collegiate School, and other young women and men who have decided to become ambassadors for this cause.

Rishi Sunak: The hon. Gentleman makes an excellent point which I will consider and take up with the right people in my Department and others.

The holocaust did not begin in the gas chambers; it began in the minds of ordinary people—people who, spurred on by Nazi propaganda, allowed spoken words slowly to erode the value of Jewish lives. The story is always the same. From so-called “class enemies” in Cambodia, to the so-called “cockroaches” in Rwanda, the terrible power of words is all too clear.

Education is crucial to fighting prejudice, and I note that many Members of the House have powerful memories of their visits to Auschwitz-Birkenau. For that we must of course thank Karen Pollock, the CEO of the Holocaust Educational Trust, who along with her team is an inspiration to us all. My hon. Friend the Member for Harrow East (Bob Blackman) correctly highlighted the trust’s new initiative to use the Lessons from Auschwitz programme to challenge anti-Semitism on university campuses, and the Government are proud to support that.

We must also pay tribute to the work of the Holocaust Memorial Day Trust and its chief executive officer, Olivia Marks-Woldman, who along with her team delivered the most successful Holocaust Memorial Day to date last year, with almost 8,000 local events. The Government are proud to support and work along these and many other commendable organisations.

It would be remiss of me not to mention a notable absence today, the Prime Minister’s post-Holocaust issues envoy, Sir Eric Pickles, whose passionate speeches those who have attended previous debates will no doubt recall fondly. Sir Eric was the driving force behind the Government’s adoption of the International Holocaust Remembrance Alliance’s working definition of anti-Semitism, making the UK the first country in the world to formally adopt the definition. As we have heard, the Government are also planning to build a new national Holocaust memorial and learning centre, a project that was kick-started with £50 million of funding.

I would like to end by paying tribute to those survivors honoured in the Queen’s new year’s honours list: men and women of enormous courage who have relived again and again their lives’ most painful memories so that we might all learn from them. It is both a great privilege and a responsibility to call such remarkable people our fellow citizens. Having listened to so many outstanding contributions here today, I believe that we remain a nation worthy of that honour and that we remain a Chamber that through our own words will never forget and will play our part in honouring these heroes’ stories.

4.56 pm

Andrew Percy: I thank the three Front-Bench spokespersons, whose speeches were all excellent in their content, and pay particular tribute to my hon. Friend the new Minister on his first outing at the Dispatch Box. He made a much better fist of it than I did last year, and will clearly last longer than I did in the job. I also thank other colleagues who have taken part in this debate.
This has been an incredible debate. It was great to hear the many testimonies of survivors themselves. We heard about Rudi Oppenheimer from the hon. Member for Liverpool, West Derby (Stephen Twigg), and about his constituent Oscar, a refugee from the Democratic Republic of the Congo; and we heard Edgar Guest’s story from the right hon. Member for Enfield North (Joan Ryan), Ernest’s story from my hon. Friend the Member for East Renfrewshire (Paul Masterton), and those of other survivors. We heard a lot about the role of young ambassadors, including from the hon. Member for North Antrim (Ian Paisley), while my hon. Friend the Member for Walsall North (Eddie Hughes) mentioned his constituent Joe Collins, who will shortly be attending York University, which I also attended—I hope he makes better career choices than I have made since graduating.

We also heard about the dangers of social media from the hon. Member for West Ham (Lyn Brown) and others and about how it was being used to spread hate and anti-Semitism. We heard from the hon. Member for Ilford South (Mike Gapes) about how people do not need to be Jewish to be on the receiving end of anti-Semitism. My first experience of anti-Semitism came in about 2010, after a trip to Israel. The contributions have been excellent this afternoon. My right hon. Friend about 2010, after a trip to Israel. The contributions have been excellent this afternoon. My right hon. Friend the Member for Chipping Barnet (Theresa Villiers) gave a rallying cry for us all to go out and fight anti-Semitism once again.

I will end where I started. Words are important. Anti-Semitism is a stain on humanity, society and our politics at the moment. We must all match our words with action, and that applies to all of us in this House, including those at the very highest levels of our political parties.

Question put and agreed to.

Resolved,

That this House has considered Holocaust Memorial Day 2018.
space—I could hardly get in, with all the stuff packed in there. The storage systems seem to have come out of the Ark—there are dank cupboards. It is also a constant juggling act to fit patients in, because there simply is not enough space, and there are not enough isolation rooms.

Now, Madam Deputy Speaker, let me take you on to the roof, where I have literally been with the estates manager. Up here is located the unbelievably antiquated air conditioning unit, which is housed in what I can only describe as a deteriorating shack. It is so old that there are still notes from electricians on the walls about what they did last time. We do these things digitally now, but there are little scribbled pencil notes—it is historic. The sky is also showing through the crumbling wall at one end, and the hospital has difficulties with the insulation. This system alone is well past its sell-by date.

The report produced by the CQC following its recent inspection made reference to the environment in the surgery department. The report stated that the premises were not always suitable and noted that some operations were cancelled due to the air conditioning failing in the theatre environment.

Just clambering across the roof was quite a precarious process, criss-crossed as it is with a complex network of pipes. Members can imagine the wear and tear involved and the maintenance issues, especially when it is cold and snowy. In most modern hospitals, of course, such pipes would be enclosed.

The 1940s flat roof housing the five theatres at the heart of this debate is key to some of the problems. The roof is in constant need of repair to keep it watertight, which is costly and time consuming. I kid you not, Madam Deputy Speaker: rain water comes through the roof and into the ceilings below, and is often collected in buckets. A couple of years ago, I found myself witness to that as a patient, when I had to go in for an operation. It was a dark and stormy day, and as I was wheeled on the trolley, there were literally buckets collecting water in the corridors. I was a little alarmed. The next thing I knew, as I lay in the operating theatre waiting to go under, I was surrounded by masked figures, who were obviously quite well aware of who I was. In the nicest but firmest possible way, they drew my attention to the dire state of the fabric of the building and urged me to do something about it when I got out. And who could blame them for not taking advantage of that opportunity, pinned as I was to the slab, as they say?

Those people need not have worried—I thank them, by the way, for the great care I got—because it was already in my mind to try to help, because I had been made aware of the issue before my election and had determined that if I ever got to this place, I would try to do something about it. I raised it with the then—and thankfully current—Secretary of State when he came to Taunton Deane before my election in 2015. I have broached the subject with him many times since arriving here, so I know it is on his radar, and I hope it will also be on the radar of the Minister, whom I thank for his interest so far.

I reiterate that, despite the challenges presented by the fabric of the buildings, Musgrove continues to deliver the best possible care. Recent figures from the Intensive Care National Audit and Research Centre show that mortality rates in Musgrove’s intensive treatment unit are the lowest among 20 similar units throughout the UK, so we do not want to worry people on that score. However, I stress that the buildings I am highlighting today were never intended to provide modern and complex hospital care, and they certainly were not intended to cope with the throughput that the hospital faces. Moreover, the critical care section is where the most seriously ill patients are treated, and it includes the operating theatres, where patients undergo a range of operations—general surgery for the local population, as well as more specialist surgery for a much wider population.

The current facilities simply cannot provide the support required for the provision of 21st-century healthcare, and demands are ever-increasing, as I am sure the Minister knows, especially in a county such as Somerset, given our elderly population. The baby boomers are hitting their 70s and, with Somerset being such a glorious county, people choose to retire there. Although they are welcome, the influx puts even more pressure on our health services. It is a tribute to our health service that on average people can look forward to a longer life, but that brings with it more complex medical issues, and that puts more pressure on our theatres.

Musgrove, by the way, does not draw its clientele, if I can call them that, just from the county. Owing to the high level of expertise it has developed—this is a great accolade to the hospital—Musgrove has acquired strategic importance to healthcare in the wider south-west. People come from much further afield for its specialist services. For example, vascular surgery patients regularly travel quite long distances for treatment at Musgrove.

I want to give a few numbers. The trust undertakes approximately 4,000 operations a year, and that figure is growing by 5% each year. As demand escalates, the trust is struggling to keep up. That is already having the unfortunate consequence that many residents of Taunton Deane and further afield are inevitably experiencing longer waiting times, with patients having to be transferred to other providers where possible. Having spoken to many people who have used Musgrove, I know how inconvenient and upsetting it is when people cannot go to their local hospital and suddenly have to transfer much further afield, away from friends and relatives, who find it hard to visit. That adds a lot more stress to the whole situation.

Let me turn to the practicalities. The call for a new theatre complex is not just based on demand. There are real practical limitations to the current system that need to be addressed. Unfortunately, that can result in the patient experience being compromised—which, I must continue to add, in no way reflects on the staff.

Musgrove currently has the highest bed occupancy in the south-west. Most of the time the rate is 90%, and best practice is generally recognised as about 70%. In the critical care unit there are 12 beds: six in the high-dependency unit, which is close to the intensive care unit; and six in intensive care. What is needed, and what is in the bid, is capacity for 22 beds: 18 at levels 2 and 3—level 3 being for those who require the most care—and four at level 1. The idea is to make them flexible, so that they can be swapped from one level to the other when necessary, which cannot be done at present and which would really help. That is almost double the current capacity, which illustrates just what the hospital has been up against.

At present, bed numbers and space are the limiting factor when it comes to the number of people who can be treated, which I would suggest is pretty unacceptable.
As demand for critical care capacity grows, more patients are inevitably in the undesirable position of having major surgery cancelled because the trust cannot guarantee access to a critical care bed following their procedure. For the staff, trying to sort out the bed space is a constant juggling act that must put unnecessary strain on their already pressurised daily lives. I have talked to them, and while they are awfully nice about it, I know that they are under a lot of pressure.

The new plan also encompasses new facilities for the endoscopy unit. The current premises are outdated and unacceptable. This is a very hard-working department, of which I have had a great deal of experience when family members have had to use it. The unit does not comply with current regulatory healthcare environmental standards, and it does not have the capacity to cope with the existing demands of the diagnostic screening programme, let alone the future growth that we are likely to see. It is great that more people are being called for screening—we are always talking about such things and outcomes, but that is of no use if the system cannot cope. The crux of the matter is that the long-term sustainability of the complex, providing emergency surgical care, diagnostic screening services and critical care in Somerset, now depends entirely on the replacement of an outdated estate that is no longer fit for purpose—so no pressure there for the Minister!

Bearing in mind the stark reality of the pressing situation which I hope I have made clear, Musgrove Park has submitted its outline business case for a new £79.5 million phase 2 surgical centre to the NHS transformation body for consideration. I believe that the timing is right. It coincides with the welcome announcement in the autumn budget of £3.5 billion of capital funding for just such projects, which will enable NHS organisations to deliver on their transformation schemes, helping to meet demands for local services, to deliver more integrated care for patients and to reduce waiting times. Other sites have already been redeveloped across the Musgrove estate and are working well.

The proposed new complex would go a long way towards bringing the entire site up to date. The new surgical centre would be placed in a more central location on the hospital site and would optimise proximity to other clinical services. It would consist of six endoscopy rooms, patient recovery and clinical support areas, eight operating theatres—including two interventional radiology theatres—clinical support and the 22 critical care beds that I mentioned earlier, all specified for the various levels of care. Those new facilities would allow a better patient experience and more efficient working, and would provide sufficient capacity to sustain services. That would have a positive impact on the health and care system in Somerset and beyond.

There is another reason why the redevelopment is so important, which has been mentioned to me a number of times in the hospital. A spanking, brand-new, state-of-the-art facility would boost morale. It would also help to improve recruitment prospects. I know it is hard to believe, but it is quite tricky to attract bright young talent to Taunton—that beautiful glorious rural area. If we had this wonderful new facility, I think talented young people would be rushing to take up our jobs, and they would be welcomed. I have spoken to the Secretary of State about this issue and the issue of attracting GPs as well, and he thoroughly understands it, so I hope that that will also be considered in assessing the bid.

I hope I have outlined a clear case for the need for a new surgical centre at Musgrove. In allocating funds, value for money to the taxpayer is also extremely important. Extensive studies have illustrated this. The Minister might say, “Why don’t you just improve the outdated facilities that are there?” But that simply does cut the mustard. Those facilities would not provide a long-term sustainable solution, and they would present very poor value for money. Money spent on basic refurbishment of the existing life-expired facilities cannot address the capacity constraints and would not enable compliance with current standards of healthcare provision or improve the patient experience. Consideration of the Somerset sustainable transformation plan relating to a range of options for sustaining these services for the long term has concluded that the best option is to re-provide the services in a new, modern, high-quality, adaptable building that can meet the needs of patients as medicine and healthcare make further advances.

So, not to put too stark a point on it, Minister, if these facilities are not updated, there is a risk of critical infrastructure failing. Those are strong words and they are not mine: they come from Musgrove Park. The risk of this occurring would be all but eliminated, together with the threat it might pose to the continuity of services to the patients of Somerset, if the new centre were built. Modern facilities will also provide a better patient experience, enable more efficient working and provide sufficient capacity to sustain services, with a positive impact for the Somerset care system.

Minister, the good people of Somerset have waited far too long for this facility and the staff have soldiered on in less than desirable conditions for far too long. This is the only hospital in the south-west not to have such an upgrade. Should the bid be successful—which I sincerely hope it will be for the myriad reasons I have outlined—this project must be started with some urgency because it could take five to six years and that would mean it would not be ready for use until 2023 at the earliest. Therefore, speed is of the essence and that would be most appreciated.

I am sure that the Minister, and Madam Deputy Speaker, will agree that this is a most deserving case for the £80 million—just £80 million—of the £3.5 billion that this Government have earmarked, which we so welcome, for such projects. The money could not be better spent and the impact could not be greater. The sooner the new surgical centre is started, the sooner it will be finished and the sooner the deserving people of Taunton, and indeed the whole of Somerset and the wider south-west, will be able to start benefiting from it.

5.18 pm

The Minister of State, Department of Health and Social Care (Stephen Barclay): I congratulate my hon. Friend the Member for Taunton Deane (Rebecca Pow) on securing this debate, and I am pleased to be able to join her in discussing a matter of great importance to both her constituency and her family. She powerfully set out her personal links with Musgrove Park and its importance to the community as a whole.
The Government recognise the real concerns—which the House got a full flavour of—about Musgrove Park and we are working to address the concerns that my hon. Friend set out. The hospital’s theatres and critical care facilities are housed in pre-war buildings that are at risk of critical infrastructure failure because of their age and condition, and she gave us a clear sense of the urgency of the need to respond to that.

It is clearly crucial that NHS facilities are as well maintained and up to date as possible. In this case, I am sure my hon. Friend will agree that decisions should be driven by what is best clinically, what is best for the health service in the area, and what is of most benefit to the greatest number of people in the area. It is right that we address these matters at a level where the local healthcare needs are best assessed, rather than doing so solely in Whitehall.

The Government recognise that Musgrove Park Hospital’s theatres and critical care facilities need to be improved significantly, but that due to the foundation trust’s financial position it is unable to fund the improvements itself. The trust has therefore proposed to invest £79.6 million in the development of modern, fit-for-purpose operating theatres, a critical care unit and an endoscopy unit. The trust is bidding for funds made available through the sustainability and transformation plan capital bidding process.

As my hon. Friend is aware, the Taunton and Somerset NHS Foundation Trust was informed that it was unsuccessful in its application under the wave 2 capital bidding process, but perhaps it will be encouraged by the fact that it was asked to develop a case with a view to submitting another bid under the wave 3 process, which is now under way. The latest bid submission process was announced in late December 2017 and closes on 31 January. The trust is being supported by the regional NHS Improvement team to ensure that it submits a comprehensive bid.

The Somerset clinical commissioning group has given its highest priority to the redevelopment of the surgical block at Taunton’s Musgrove Park Hospital. Running in parallel to the process for securing funding, the NHS Improvement regional team is supporting the trust to develop the business cases required for the development of the surgical facilities. I am pleased to learn that Musgrove Park Hospital’s surgical block capital bid has now been submitted and has received support, in principle, from NHS England and NHS Improvement, and will be considered for the next round of announcements for capital. Should its bid be successful, money will then be made available to start work on a new surgical centre at Musgrove Park Hospital. I join my hon. Friend in recognising that lead times for construction work are often very long. That is an area that I am keen for the Department to focus its attention on.

On the long-term plans for Somerset hospitals, the Somerset CCG is developing a clinical services review that will consider the views of patients before developing a series of service proposals with the aim of ensuring that family doctors and community hospital and district hospital services are joined up with social care services to provide financially sustainable and high-quality care. I know that my hon. Friend shares the Government’s desire to ensure that we take a more integrated approach to commissioning our services.

The Taunton and Somerset NHS Foundation Trust was rated as good by the Care Quality Commission in its December 2017 report. That is a tribute to the staff working there. It was rated as outstanding for caring, and rated as good for being effective, responsive and well-led. Surgical services are rated as good overall, having been rated as requiring improvement in the previous report. This followed action being taken to address and resolve issues with theatre safety and surgical site infections. NHS Improvement has no significant clinical quality concerns, and there have been no recent theatre or estate-related significant incidents. However, the latest CQC report mentioned that inspectors had heard of operations being cancelled due to the theatre environment and the air conditioning issues that my hon. Friend mentioned. This highlights the need for improved surgical facilities.

In closing, I recognise that Musgrove Park Hospital’s theatres and critical care facilities require significant improvement, and I pay tribute to my hon. Friend for the manner in which she set out such a powerful case for that improvement. Somerset clinical commissioning group has given its highest priority to the redevelopment of the surgical block at Taunton’s Musgrove Park Hospital. I am pleased to learn that the hospital’s surgical block capital bid has been submitted and has received support, in principle, from both NHS England and NHS Improvement. Should the bid be successful, money will then be made available to start work on a new surgical centre at Musgrove Park Hospital. I am sure that my hon. Friend will agree that decisions should be driven locally, and I know that she is particularly focused on that.

In securing this Adjournment debate, my hon. Friend, as she so often does, has put the case for Taunton Deane. As the Minister responsible, I recognise the importance of the issue both to her and to the community, and I look forward to continued discussions with her as we seek to progress the situation and ensure the best possible care for Taunton Deane and the surrounding area.

Question put and agreed to.

5.25 pm

House adjourned.
Lyn Brown (West Ham) (Lab): May I wish you a very happy birthday, Mr Speaker? I beg to move, That the House sit in private. Question put forthwith (Standing Order No. 163), and negatived.

Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill

[Relevant Documents: Written evidence to the Communities and Local Government Committee, on the private rented sector, reported to the House on 4 December, 11 December and 18 December 2017 and on 8 January and 15 January, HC 440; oral evidence taken before the Communities and Local Government Committee on 8 January, on the private rented sector, HC 440.]

Second Reading

9.34 am

Ms Karen Buck (Westminster North) (Lab): I beg to move, That the Bill be now read a Second time.

May I, too, extend my congratulations to you on your birthday, Mr Speaker? It is a pleasure to see you in the Chair.

Everyone deserves to live in a safe, warm and comfortable home, yet despite the undeniable progress made over many decades, millions of people—often the most vulnerable—still do not. Currently and extraordinarily, landlords have no obligation to their tenants to put or to keep the property in a condition fit for habitation. There is an obligation on the landlord to repair the structure of the property and to keep in repair features such as heating, gas, water and electricity, but that applies only when something is broken or damaged; it does not cover issues such as fire safety, inadequate heating or poor ventilation causing condensation and mould growth. There is a whole range of fitness issues that seriously affect the wellbeing and safety of tenants and about which tenants can do nothing.

We must await the results of the inquiry into the horror of Grenfell Tower before reaching any conclusions, but we know that residents were raising fire safety concerns in respect of the cladding long before the fire. This cladding was, as far as we know, in good repair but may have been unfit and hazardous—something certainly was—yet the residents had no legal route available to them to pursue their concerns.

The Bill will modernise the housing fitness standard, and it will extend to cover almost all tenancies—private, housing association and council. It will allow tenants to take action on their own behalf in the same way and on the basis of the same standards as local authorities currently can and give them a remedy that so many of them lack.

Members of Parliament are all too familiar with bad housing. Most of us, at one time or another, have found ourselves responding to constituents living in the most appalling conditions that their landlords, public or private, cannot or will not act to resolve. As an inner London MP whose constituency includes areas that have been notorious for poor housing, dating back to the era of slum landlords such as Rachman and Hoogstraten, this issue has always been very dear to my heart.

When such cases come to me—I will mention them in a moment—my first port of call is often the environmental health department. While my council is of a different political complexion from me and we fight like ferrets in a sack on most issues, I can truthfully say that environmental health rises to the occasion again and again. I must have referred more than 1,000 cases to it over the years, and it has acted with vigour and professionalism, yet we know that that action is not sufficient.

I have seen a couple with small children living in two rooms of what was in effect the attic of a property in north Paddington. They lived and slept in one room; in the other, the tiny kitchen, toilet and shower were just cubicles built into the same space. I have seen a family who have had to close off two bedrooms—their only bedrooms—because of the cold and damp, and who all slept in the living room because they were unable to use the entire property. I have met a young mum who had to bring home her baby, who was born prematurely, to a flat that was so damp that even I, when I visited her, struggled to breathe. Only two weeks ago, I met a pensioner who was taken into hospital with hypothermia twice because of the cold in a flat from which the heat leaks through badly designed windows. Incidentally, she also fell and hurt her hip on steps that had been turned into a virtual river as water poured through a hole in the roof.

A good example of how fitness and disrepair are distinct and different elements of unfitness comes from an estate—a lovely and popular estate—in Bayswater in my constituency. Residents had long-standing complaints about extreme cold, damp and condensation, to the point that environmental health set up a dedicated project with the goal of protecting the health of residents. In 2011, its report found a range of deficiencies in the flats contributing to the health hazard of excess cold:

“Frequently associated with cold conditions within the flats was another hazard, that of ‘Damp & Mould Growth’ caused by condensation moisture forming on cold internal surfaces within the flats, including the window frames and the glazing. In some cases, the mould growth was chronic and severe”.

Despite environmental health’s survey of their flats, residents repeatedly requested that something be done; they had asked for the windows to be replaced as long ago as 2006. Why were those flats unfit, and how does that distinguish itself from disrepair?

As those flats were built in the 1950s, when building construction standards were poorer than today, their insulation standards were—and remain—very poor. The end walls of the flats are made of solid reinforced concrete, as are the floors, roofs, external stairways, lift shafts, walkways, balconies and possibly some of the internal walls. The cavity walling was unfilled and uninsulated. Consequently, there is constant heat loss...
throughout the structure of the building and instances of cold bridging in the flats on the estate caused by cold, uninsulated elements transforming heat energy and losing it externally. That causes condensation, dampness and mould growth. Those residents have been waiting for 12 years. A major estate programme has been under way for some years and still has to run until 2022, and the residents have no legal redress to deal with their concerns.

In case references to heat loss and cold bridging are a little technical, here is one example—one of many—from a resident who wrote to me from that estate:

“I have been suffering from the cold. We are always sick with flu and cold. I have my heating on 24 hours a day, with another electric heater and I am always ill, so is my son. My heating bill for this month alone was £400. My son and I have asthma. I have asthma, arthritis, fibromyalgia, diabetes, Kienbock’s disease in my hands, and I suffer panic attacks and anxiety. I am suicidal and had to go to St Mary’s hospital and see a psychiatrist, who said I must move to improve my health conditions. Please, please help.”

Teresa Pearce (Erith and Thamesmead) (Lab): I thank my hon. Friend for promoting this private Member’s Bill. Morally, we know that we must take up this issue, but is she surprised to know that that is also the case financially? This month, I received a letter from the Department of Health and Social Care, which stated that conditions of poor-quality housing cost the NHS—and this is a conservative estimate—an estimated £1.4 billion a year.

Ms Buck: My hon. Friend is a mind reader because I was coming to that very point. There is plenty of evidence to confirm that bad housing is a drain on the national health service and—as in so many other areas—if we were able to act more effectively to tackle the causes of bad housing, that would also benefit the NHS.

Mark Pawsey (Rugby) (Con): I congratulate the hon. Lady on introducing this Bill and I assure her of our support. She mentioned some disturbing cases, examples of which we will all have heard in our constituency casework. Does she accept that private sector landlords play a valuable role in the housing market and that the vast majority of them understand that, in addition to their right to receive rent, they also have obligations towards their tenants?

Ms Buck: I absolutely do. The vast majority of landlords act responsibly towards their tenants, and they have an interest in ensuring that the rogue minority do not get away with irresponsible behaviour.

This week, I was pleased to take part in Parliament’s digital engagement process, and our project on housing standards received the best response so far in that important experiment. That is pleasing, although it further served to confirm the extent of the problem. We were told that 57,000 people viewed the Facebook page on which we presented our questions about attitudes to housing fitness, and some of the case studies that came in as a response were truly horrifying. Those studies came from all over the country and reflected the scale of the problem.

We know anecdotally, and from Members of Parliament, councillors and other caseworkers, just how serious is the problem of substandard and unfit housing. The English housing survey shows that three-quarters of a million private rented properties—about one in six of that sector—are unfit and that about a quarter of a million social rented homes contain a category one hazard under the housing, health and safety rating system. That could relate to damp, infestation, excess cold and a number of other risks, and it means that 3 million people, including many children, have their health and safety compromised every day by substandard housing.

Local council-led enforcement is simply insufficient for the task. I have already mentioned my very positive relationship with my local authority, although it still has constraints, particularly in respect of its own housing stock. Taken across the board, however, local authorities are not enforcing more than a tiny proportion of measures to deal with substandard properties. My most recent freedom of information research, which was prepared into a report by Stephen Battersby, indicates that enforcement action is taken at a level equivalent to only 1% of all the properties that are unfit according to the English housing survey. Research carried out by Shelter about a year ago found that enforcement action has fallen by 40% in recent years. Important, this is not a criticism of local authorities, but the fact is that the capacity simply is not there. Performance varies hugely between councils. There is a reliance on informal action in some areas, and although that has its place and can help to resolve some problems, it makes it hard to assess the overall effectiveness of what local authorities are doing.

Ellie Reeves (Lewisham West and Penge) (Lab): I welcome this Bill. Everyone should have the right to live in a home that is fit for habitation, and if that is not the case, tenants need the ability to challenge landlords in court. Does my hon. Friend agree that, in tandem with this Bill, we must consider reintroducing early legal advice in housing matters, so that problems can be resolved a lot quicker?

Ms Buck: My hon. Friend will not be surprised to know that, as chair of the all-party group on legal aid, I very much agree with her. Many issues relating to advice and legal aid and other aspects of housing need still need to be resolved if the Bill proceeds.

Andy Slaughter (Hammersmith) (Lab): All of us, and our constituents, owe a debt of gratitude to my hon. Friend for promoting this Bill and for her perseverance because it is not the first time she has done this. Legal aid is already severely restricted for disrepair. The Government notes to the Bill say that it contains no financial provision—that is probably why they support it—but should we not meet the remedy that the Bill provides with the funds to allow tenants to enforce it?

Ms Buck: We expect that tenants whose conditions meet the criteria equivalent to disrepair would be able to seek legal aid, and I will be making separate representations about legal aid overall. My hon. Friend and I, and many other Labour Members, feel very strongly about this issue.
Antoinette Sandbach (Eddisbury) (Con): Will the hon. Lady pay tribute to Citizens Advice for its role in assisting 144 families with housing repairs in my constituency? Does she agree that many tenants can get small legal expenses insurance through their household insurance, and it is always worth checking insurance policies for that?

Ms Buck: I join the hon. Lady unequivocally in paying tribute to Citizens Advice. It supports the Bill and has written a good briefing about it. I do not want to stray too far from the Bill, but there is a real concern about advice services across the piece, and we must continue to discuss and make representations on that.

One concern that underpins my motivation for the Bill is that it is often the poorest and most vulnerable people—those with the highest likelihood of having disabilities and sickness—who are trapped in the worst housing, and in my experience, very few people have adequate insurance. That is a much larger problem that we must seek to resolve. A number of different remedies may be available to some people, but the minority of people who are concentrated in very bad housing often do not have access to the remedies that are available to those who are better off.

Sir Edward Davey (Kingston and Surbiton) (LD): The hon. Lady is being generous in giving way. I strongly support the Bill. She made an important point about enforcement. The House is good at making regulations, but often they are not enforced properly to help the most vulnerable people, and I believe that enforcement agencies and local authorities need more support. She made a point about retaliatory evictions when local authorities take action, and in my experience, local authorities that take action often do not also help the tenant to ensure that the landlord does not behave badly. I would welcome the hon. Lady’s comments on that.

Ms Buck: There are a number of issues in respect of supporting tenants that are outwith the scope of the Bill and on which I will continue to make representations, including retaliatory eviction. The reality is that local authorities are increasingly cash-strapped. That is one of the reasons that environmental health departments are not able to enforce. In an ideal world, local authorities would be able to fund advice services and tenancy liaison officers. I have seen some very good practice by tenancy liaison workers, including in Westminster, across the parties—when work is good, I am happy to acknowledge that. I am in absolute agreement with the right hon. Gentleman, however, that it is inadequate and patchy, which is exactly why we need to make sure that individual tenants can exercise a direct remedy in law when the other services we would all like to be in place are not up to the job.

Stephen Timms (East Ham) (Lab): I congratulate my hon. Friend on her Bill. On the role of local authorities, does she welcome, as I do, the Government’s recent decision to reauthorise Newham Council’s selective licensing scheme? She has rightly pointed out that it is a small minority of landlords who are the problem. Does she believe that local authorities more generally should have those selective licensing powers?

Ms Buck: I do, although that issue is also outwith the scope of the Bill. The Bill proposes one important tool for tenants, but there are many others, some of which are being introduced. We will continue to lobby for others in the future. I certainly congratulate Newham Council on its active work in respect of its rogue landlord sector.

Rebecca Pow (Taunton Deane) (Con): I thank the hon. Lady for making a strong case on an issue about which she is very passionate. Is it not key to the Bill that social tenants currently have no effective means of redress over poor conditions, as local authorities cannot enforce the housing health and safety rating system against themselves? The Bill will give them a tool to compel local authorities to carry out the repairs.

Ms Buck: The hon. Lady is absolutely right. That is one of the purposes of the Bill. Social council tenants do not have the same right as private and housing association tenants, who can go to the local authority, which may or may not enforce. Council tenants cannot do that, and the Bill will extend to them the right to seek remedy.

As we know, the law in this area is generally outdated and restrictive. I started by saying that there is currently no obligation to ensure that the property is fit, as opposed to the obligation to deal with disrepair, and that there are therefore a range of fitness issues about which tenants can do nothing at all. That used not to be the case. The fitness obligation was set in law, but that has ceased to have effect as the law has developed over many decades.

The concept of housing fitness—of homes being fit for human habitation—stems all the way back to the Victorian era and the work leading up to the Housing of the Working Classes Act 1885. Lord Salisbury, the then Conservative Leader of the Opposition, made the case that the shocking condition of housing was injurious to both health and morals and was promptly attacked, even by The Guardian, for propagating state socialism.

The royal commission established prior to the passage of the 1885 Act proposed that there should be a simple power by civil procedure for the recovery of damages against owners or holders of property by those who have suffered injury or loss by their neglect or default in sanitary matters. That is exactly what happened. The remedy was granted to tenants, subject to what was then a relatively generous rent limit, but as time passed and laws changed, overlapped and melded together, the rent limits ceased to be updated and the ability of tenants to seek a remedy when their homes were unfit lapsed.

Eventually, the impact of that led to a 1996 report by the Law Commission, “Landlord and Tenant: Responsibility for State and Condition of Property”. The commission criticised the fact that the right of civil remedy for tenants against their landlords in cases of unfitment had been allowed to “wither on the vine”, as the rent limits had remained unchanged for 40 years. It concluded that removing the rent limits would be the preferred way to give tenants a civil remedy. Two Court of Appeal judgments supported the same conclusion.

More broadly, “Closing the Gaps”, a joint report commissioned by Shelter from the Universities of Bristol and Kent last year, concluded:
“The law relating to health and safety in people’s homes is piecemeal, out-dated, complex, dependent upon tenure, and patchily enforced. It makes obscure distinctions, which have little relationship with everyday experiences of poor conditions.”

Apart from that, I am sure it is fine.

**Bambos Charalambous** (Enfield, Southgate) (Lab): Many tenants who are in temporary accommodation with private landlords have been placed there by local authorities. Does my hon. Friend agree that many tenants have difficulty dealing with that dilemma?

**Ms Buck**: My experience of temporary accommodation is that it includes some of the worst conditions that I have ever seen. Tenants who are often increasingly placed away from their own local authority have a lot of difficulty in seeking remedy, which I strongly believe that they should be able to do.

What will the Bill actually do? The old obligations on landlords to ensure that a property is fit and not just in a state of repair have become obsolete. The Bill will therefore have the effect of reviving the fitness requirements and updating them by reference to a definition of hazards, the presence of which will determine whether a property is unfit. That list of 29 categories of hazard is set out in the housing health and safety rating system introduced in the Housing Act 2004. It will have the effect of ensuring that unfitness is covered as well as disrepair, so structural and design faults are included where they risk causing serious harm. That includes cases where poor ventilation causes severe damp or infestation, fire safety, dangerously steep stairs without protection from falls and so on. The tenant could take action against the landlord to make them put right any problems or hazards that make the property unfit and seek compensation when the landlord has not done so. The Bill makes it clear that the landlord would not be liable for any issues arising from the behaviour of the tenant or issues that would bring them into conflict with other legal duties.

**Neil O’Brien** (Harborough) (Con): I welcome this important Bill and the hon. Lady’s tenacious work on the issue. When I was a private renter, I was offered houses with wires hanging out of the walls, electric cookers hanging off the walls and even, in one case, dog mess on the carpet. This is a superb Bill. May I welcome her comments on the excellent balance it achieves between new rights for tenants, which my constituents will welcome, and sensible safeguards for landlords?

**Ms Buck**: How do I answer that? I thank the hon. Gentleman for his and the Government’s support.

May I acknowledge those people who have got us to this stage and who support the Bill? There has been broad support for the proposals, for which I am very grateful. Shelter has campaigned strongly, as has Generation Rent. The Chartered Institute of Environmental Health has lent considerable expertise. The National Housing Federation has given its backing, and excellent briefings have come from Citizens Advice, Mind, the Law Society and, of course, the Library, among others.

Very importantly, the Bill is backed by the Residential Landlords Association, the National Landlords Association and the Association of Residential Letting Agents, Alan Ward, the chair of the Residential Landlords Association, possibly summed up the situation for all three organisations when he recently wrote that “the Bill seeks to achieve what all good landlords want; better enforcement against the crooks that bring the sector into disrepute.”

Sam Lister from the Chartered Institute of Housing researched the history of attempts to improve housing fitness, dating back to Lord Salisbury, and he should get the research published because it is fascinating. Stephen Batterby, the former president of the Institution of Environmental Health Officers, has diligently prepared reports on enforcement and housing fitness over several years, and has provided invaluable advice. I also thank colleagues who have given up a precious Friday to be here.

I am genuinely thrilled to have Government support for the Bill this time around, and I hope that we can, continuing in the positive spirit of recent weeks, make good progress in passing it into law. I give thanks to the officials who have been exceptionally helpful during the preparation stage.

I want to place on the record my appreciation for Giles Peaker and Justin Bates, the housing lawyers who took the Law Commission recommendations and not only drafted the Bill but supported me through every twist and turn of it over the past two years. They are great lawyers, obviously, but they are also driven by a passion to champion people in housing need, and I owe them a debt of gratitude.

There is a great deal more to be done to turn the tide on insecurity, affordability, homelessness and housing need, and none of us will stop pressing the Minister to make progress on other fronts. But today we have the chance to progress a Bill that will give tenants new powers to hold the worst landlords to account. I hope that we will take that opportunity, and I commend the Bill to the House.

9.58 am

**Lucy Allan** (Telford) (Con): I too would like to congratulate the hon. Member for Westminster North (Ms Buck) on introducing this important Bill and on securing Government support for it, which is an excellent example of cross-party working. Like all Members, I want to see this Bill deliver on its objectives to ensure that everyone can live in a decent home.

I am the chair of the all-party parliamentary group on new towns. Many new towns, including my own constituency of Telford, have a private rental sector with homes that are substandard and have long been neglected. Both the design and the materials of estates that were built at the same time—in a hurry, 50 years ago—have not stood the test of time and they are now past their useful life. Those estates are decaying simultaneously, which makes renewal and renovation challenging.

Housing estates in many new towns were often constructed to the Radburn design, which was innovative and experimental in its day. Cars were separated from housing, and the front was accessible only by a footpath, with back yards facing each other on to vehicle access alleyways. Over the time, however, that has “designed in” crime and antisocial behaviour, and confusing layouts have rendered estates inaccessible. Wooden construction materials are rotting, and flat roofs are prone to leaking.
There are houses in multiple occupation and empty properties, and now we have the worst of the rogue landlords. Over the years, the dream of a new start in a new town on a new estate has become a nightmare for some.

Although some of those ex-local authority homes are owner-occupied, most are privately rented and owned by multiple landlords who are very hard to trace. As has already been pointed out today, there are many good landlords who take good care of their properties, and there are long-term owner-occupiers who take pride in their areas, but the simple fact remains that some tenants—my constituents—are living in conditions that are totally unacceptable today. Those privately rented properties are a catalyst for a spiral of decline on their estates, and they cause untold misery not just to the tenants but to the owner-occupiers living alongside them.

Tenants are in those substandard properties because they have been unable to secure housing association properties. Our housing association properties in Telford are very well maintained by our innovative and aspirational housing association, the Wrekin Housing Trust, but they are hard to come by. Nor are those tenants able to secure any other rental property of an adequate standard, because they have complex vulnerabilities. They may have a history of evictions and debt, addiction, or mental health problems. They are at the mercy of rogue landlords, because other landlords are not willing to give them a tenancy. The rogue landlords charge the full amount of housing benefit, and provide nothing but a run-down, neglected property in return, just because they can.

Much as I welcome this Bill, I must sound a note of caution. Tenants who are affected by the worst conditions in the private rental sector are unlikely to be able to complain effectively, let alone take enforcement action against their landlords. Local authorities have an important role to play in that regard. It is not good enough for them to say, “This is an arm’s-length commercial relationship between tenant and landlord, and it has nothing to do with us.” These tenants are our most vulnerable residents, and they are being exploited. We have an obligation to help them to enforce the powers that the Bill will give them, as well as ensuring that local authorities use the powers that they already have.

Alex Chalk (Cheltenham) (Con): My hon. Friend is making a powerful point. Does she agree that if these excellent new measures are not to be a dead letter, we must ensure that some of our most vulnerable constituents—including some of mine in Cheltenham—have the tools that they need, through the legal process and through early advice and assistance, to prosecute the rights that the Bill will give them?

Lucy Allan: My hon. Friend is right. We must help to empower those vulnerable tenants, because legislation will not be a remedy if people are not helped to exercise it.

Sir Edward Davey: May I ask the hon. Lady a question that I asked the hon. Member for Westminster North (Ms Buck)? Does she agree that we need to ensure that local authorities are enforcing these and other rules in order to protect our most vulnerable citizens, and that the Government should monitor and compare authorities to establish which of them are going after the rogue landlords, and should name and shame those that are not?

Lucy Allan: Indeed. Much more can be done to persuade and encourage local authorities to enforce their role. As I have said, they have an important part to play, and they have existing powers to bring about a remedy.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Is it not important for the Secretary of State for Housing, Communities and Local Government and his Department to approve compulsory licensing schemes in a timely manner? A number of Labour councils in London, and my local council in Brighton and Hove, have put in requests for the Secretary of State to approve, which will give them those enforcement powers.

Lucy Allan: I do not agree with the hon. Gentleman, and I will explain why shortly.

Local authorities have been given funds with which to identify and prosecute rogue landlords. They need to step up to the mark and use their powers to prosecute when properties are unsafe or substandard. There is evidence that they do not make enough use of the powers that they already have.

Let me now deal with the point made by the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle). In my area, selective licensing has been proposed as a solution to these problems, but it penalises all landlords on an estate, including good, responsible landlords. It hits them with an extra levy to prove that they are fit and proper people. It fails to distinguish between good landlords and those who make their money letting substandard properties to the most vulnerable people, to whom not one else will let.

I am pleased by the Government’s strong record of action on improving the experience of tenants and by the action already taken on substandard private rentals. Local authorities now have the power to impose civil penalties amounting to up to £30,000, and rent repayment orders have been introduced.

Matt Western (Warwick and Leamington) (Lab): I understand the point that the hon. Lady is making about local authorities’ powers. However, as is so often the case, the powers may exist, but the first cuts that are made in local authority budgets are those that prevent them from enforcing their existing powers.

Lucy Allan: The hon. Gentleman is right: local authorities’ powers are not being enforced, and there is a reason for that. We need to do much more to ensure that local authorities do enforce them.

Kevin Foster (Torbay) (Con): The hon. Member for Warwick and Leamington (Matt Western) said that authorities need more resources with which to enforce legislation. Torbay Council has used the powers that the Government have given it to levy fines of up to £30,000 in order to increase its housing enforcement team using money from those who abuse their tenants.

Lucy Allan: I am delighted to hear that Torbay is using these powers, and I urge my local authority, Telford and Wrekin, to follow its example.
Lyn Brown (West Ham) (Lab): I am grateful to the hon. Lady for being so generous in giving way. May I gently say to her that Newham Council has a licensing scheme because it provides money with which it can use its enforcement powers? All landlords would benefit from such a scheme, because it would ensure that they all adhered to proper standards, which could only be good for the whole sector.

Lucy Allan: The hon. Lady is right. The objective of selective licensing is to bring in more funds. However, there is a raft of bureaucracy surrounding it, and some landlords will pass the cost on to their tenants.

Sir Edward Davey: Will the hon. Lady give way?

Lucy Allan: I want to make one more point, but I may give way to the right hon. Gentleman later.

Lyn Brown: Will the hon. Lady give way?

Lucy Allan: No. The hon. Lady has already had her intervention.

More powers will come into effect in April 2018, with the introduction of banning orders and a database of rogue landlords to help local authorities to tackle this problem. Authorities have powers to remove the worst offenders, and I urge them to do so. Much as I welcome the Bill’s empowerment of tenants, I fear that tenants in the most substandard properties, who do not currently complain for many different reasons, will not be able to take legal action. The needs and concerns of tenants are the responsibility of local authorities, and they must not wash their hands of tenants living in these conditions in their properties.

Let me again congratulate the hon. Member for Westminster North on highlighting this important problem, and thank her for drawing attention to the conditions in which many people are living in my constituency, in other new towns and, indeed, throughout the country. She has spoken up for people who cannot speak for themselves, and on that she is to be congratulated.

Several hon. Members rose—

Mr Speaker: Order. Has the hon. Lady completed her speech?

Lucy Allan: I have, Mr Speaker.

Mr Speaker: We are immensely grateful to the hon. Lady.

Is the hon. Member for Sheffield South East (Mr Betts) ready, or has he been detained by other matters? No; he is ready. Let us hear from the fellow.

10.8 pm

Mr Clive Betts (Sheffield South East) (Lab): I congratulate my hon. Friend the Member for Westminster North (Ms Buck), I know that she has long been interested in housing policy and legislation, but what has been clear today is that it has been clear for many years to those who have known her that long—is her passionate commitment to housing as it relates to individual tenants and their struggle to secure decent housing conditions. She was driven to introduce the Bill by her experience in her own constituency—which she has spelled out this morning—of the awful circumstances in which people have to live, and her wish to do something to help them.

There are three reasons why I have a particular interest in this issue, and want the Bill to be passed. First, most members of the public, if they were asked, “Should landlords be able to let properties that are unfit for tenants to live in?”, would say, “Of course they should not, but the law prevents that, doesn’t it?” Most people would assume that the law already does what this Bill is attempting to do; they would assume that Parliament has already taken steps to ensure that any house that is let is fit for the tenant to live in. The fact that that is not the case is a condemnation of all of us for having allowed that situation to exist for far too long. I think most of the public would therefore say that of course we should put that basic problem right, and everyone in this House this morning should be here to support this very basic measure.

Sir Edward Davey: It is important that the House understands that our predecessors have tried to act on this: the Bill rightly links back to the Landlord and Tenant Act 1985, and I served on the Housing Bill Committee of 2003-04 with the hon. Member for Westminster North (Ms Buck) when we reformed some of these laws and introduced the housing health and safety rating system, which has proved rather complicated. The experience of that attempt to regulate rogue landlords is the reason we have gone back to some of the laws of the past which the hon. Lady rightly brings to the attention of the House today. There is a history here, and we need to understand that.

Mr Betts: Yes, there is a history; the history is that we have not got it right, and that is what we are trying to do this morning. I take the point about the housing health and safety rating system. There have been various efforts in that regard, but in the end the position is still that housing that is unfit can be let to tenants, and that is what this Bill is putting right. In some ways it is going back to the 1985 legislation, which unfortunately has been overtaken by inflation as the rental figures in it are now so far out of date that in effect the legislation cannot be used at all. The Bill is turning the clock back to a previous situation and doing so in a very appropriate way.

In terms of the 1985 legislation, the Bill is updating the fitness standards, because it is taking the standards from that legislation but adding to them the fitness standards from the 2004 legislation and making a more comprehensive definition of what fitness should be. It is bringing the two together in a more comprehensive way: it is turning the clock back to 1985 and then modernising and updating the legislation, incorporating the 2004 standards as well, making a more comprehensive definition of fitness to ensure that the homes that are let truly are fit for people to live in.

Giving the powers to the tenant as part of their contract with the landlord means that tenants in local authority housing have the same rights and powers as those in the private sector. It means that any tenant in any rented property has these rights to take enforcement action against their landlord to ensure that their home is brought up to a
The Bill essentially gives tenants powers to act, but in reality tenants are going to need support and assistance. They might contact the excellent Shelter telephone helpline, which is based in Sheffield, or Citizens Advice or other advice agencies, or they might go to their MP or local councillors, but very often they will go to their council to seek help and assistance. Although the primary requirement of this Bill is to give powers to tenants, in the end they might well go to the local authority, so with all the other—very good—measures that the Government are introducing, the extra powers for local authorities to take enforcement action and this Bill might put extra demand on local authority officers. The issue of resources is still fundamental to getting this problem sorted out. That will be raised as part of our Select Committee inquiry, and Ministers ought to be listening: without the resources, local authorities will not be able to offer tenants the assistance they need which would make this legislation effective.

10.17 am

Bob Blackman (Harrow East) (Con): I join others in wishing you, Mr Speaker, a very happy birthday and in thanking you for sitting in the Chair on your birthday when you could be off enjoying yourself in another way.

[Interruption.] I am sure you are going to enjoy our debate.

First, I draw the House’s attention to my entry in the Register of Members’ Financial Interests; I am a vice-president of the Local Government Association and have a small property portfolio.

I congratulate the hon. Member for Westminster North (Ms Buck) on bringing this much-needed Bill to the House to ensure that all tenants, whether in social or private rented housing, will have the right to make sure that they are living in a decent home. I think it is a fundamental right of everyone in this country to be able to live in a decent home. This measure has been needed for a long time.

It is a pleasure to follow the hon. Member for Sheffield South East (Mr Betts), the distinguished Chair of the Select Committee on Communities and Local Government. I am not sure whether we have got around to changing the name yet—the name of the Ministry has changed. He has a long history of service in local government and in this House in holding the Government to account through our work on the Select Committee. I have had the pleasure of serving on the Committee for the last seven and a half years. During that time, we have looked at all aspects of the private rented sector and the socially rented sector. This measure is welcome and needed.

I pay tribute to my hon. Friend the Member for Reading West (Alok Sharma), who was the Minister responsible for negotiating with the hon. Member for Westminster North to get the Bill into a form that the Government could support. I hope that Members will unanimously support Second Reading later today. I welcome the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for South Derbyshire (Mrs Wheeler), to her place. I have one or two questions that I hope she will answer when she speaks later. I want to thank the myriad organisations that have sent us briefing notes, all of which praise and support the Bill, I am delighted to say. That means that it is likely to receive a smooth passage through the House.
There are many different types of landlord in the private and social rented sectors. There are accidental landlords who inherit a property and rent it out. Most of those individuals do not exploit vulnerable tenants. In the private sector are really good landlords, but some are commercial landlords. Most commercial landlords are educated about their responsibilities to law. The Government have a duty to ensure that those individuals want to do the right thing, but they are often ignorant of their responsibilities under the law. The Government have a duty to ensure that those landlords are educated about their responsibilities to their tenants. There are also small investors who have chosen to use property as a means of creating a pot of money for their retirement or for other purposes, and there are commercial landlords. Most commercial landlords in the private sector are really good landlords, but some are rogues. This Bill and many others aim to spot those rogue landlords and put them out of business. It is right that we should ramp up our activities to ensure that those individuals do not exploit vulnerable tenants.

Helen Hayes (Dulwich and West Norwood) (Lab): I want to draw the hon. Gentleman’s attention to the evidence that the Select Committee heard last Monday from Shelter, which said that, although the focus on rogue landlords was important, it was misleading to focus on them alone because the tenants experiencing poor-quality accommodation in the private rented sector were not limited to the relatively small number whose landlords could be described as rogues. Some landlords are inexperienced, lazy or negligent in carrying out their responsibilities but fall short of being rogues. These practices are nevertheless unacceptable.

Bob Blackman: I thank the hon. Lady for her intervention. When we look at the percentages of properties that are non-decent, it becomes clear that these practices are not limited to the small number of rogue landlords. I will say more about that later.

I note that the hon. Member for Brent North (Barry Gardiner) is in his place today. He and I share the challenge of trying to deal with the many individuals who bought a property many years ago and who, when their lifestyle changed, moved out and chose not to sell their property but to rent it out. Unfortunately, some of those individuals are now exploiting vulnerable people, and they need to be called to account.

In north-west London, we also have a huge number of what are termed “beds in sheds”. These are small developments in back gardens and alongside properties where unscrupulous landlords force people to sleep in absolutely unacceptable conditions. The local authorities attempt to enforce the rules but their resources are limited. As a constituency Member, I routinely draw local authorities’ attention to these landlords, but resources are limited. As the hon. Member for Sheffield South East said, local authorities need resources if they are to enforce the existing laws. I am concerned that, without those resources, the good intentions behind the Bill to give tenants rights and to ensure decent homes may not come to fruition.

Nigel Huddleston (Mid Worcestershire) (Con): My hon. Friend is making a really important point about where the onus of responsibility lies. Does he agree that one of the attractive features of the Bill is that it puts a proactive responsibility on landlords to address issues and concerns, as opposed to the historical norm of their reacting with varying degrees of enthusiasm to issues when they are raised by tenants?

Bob Blackman: I thank my hon. Friend for his intervention. One of the concerns has to be that, when we empower tenants, we have to ensure that they understand their rights and also draw to landlords’ attention their duty to keep their homes safe.

When the Select Committee conducted inquiries into these issues, we looked into the duties relating to electrical safety. The hon. Member for Sheffield South East will remember some of the reviews that took place. He will also remember our astonishment at the duties on homeowners, let alone landlords, to ensure that their places are safe for electrical purposes. Electrical problems are often invisible to tenants and to landlords, which can create hazards and risks for many tenants.

In one ward of my constituency alone, more than 20% of the properties are rented out in the private sector. Most are rented out to people from the European Union, mainly Romania and Poland, many of whom are being exploited. They are being herded into cramped accommodation in houses in multiple occupation that are not licensed. The local authority is taking action to try to combat that, but it is a real problem that individuals who are coming to this country to work hard, earn a living and contribute to this country are being ruthlessly exploited by a small number of landlords. I condemn those landlords for that.

Matt Western: We see the accommodation that the hon. Gentleman describes in back gardens alongside the train lines coming out of London, but does he accept that that exploitation affects not only migrant labour? With student accommodation, there is a high level of churn within that community, with students staying in a property for a year or less. They are hugely exploited, just as migrant workers are.

Bob Blackman: I thank the hon. Gentleman for that intervention. He reminds me of when I was at university in Liverpool. We all suffered appalling conditions in the private rented sector at that time. There are now many more students, all of whom need private rented accommodation for a time during their studies, and as he says, many of them are being exploited. However, they will often put up with conditions that others would not tolerate, in order to pay a lower rent. For that reason, they often do not draw problems to the landlord’s attention. That is clearly a problem.

We need to make it clear that this is a problem not only in the private sector. There are local authorities that do not maintain their properties to a decent standard. There are pockets of poor housing in that sector as well. I remember, as a local authority leader, applauding the then Labour Government for providing funds to bring local authority housing stock up to a decent home standard. That was a great thing, but large numbers of properties owned by councils are still not being maintained at a decent standard. We also have housing associations. About 28% of accommodation in the private rented sector is non-decent, but 14.8% of local authority housing is non-decent and 11.8% of housing association properties is non-decent. That shows that the problem is not limited to the private rented sector; it extends into the social rented sector. That is one of the reasons that I strongly support the Bill. It looks at these issues in a comprehensive manner, rather than a narrow one.

Lloyd Russell-Moyle: Does the hon. Gentleman agree that there are problems in local authority housing stock
when local authorities subcontract out the maintenance of their properties, often for very long periods, with inadequate scrutiny? Tenants who are responsible to the local authority are unable to do anything, and the local authority is often unable to reel in the contract. The Bill could help to provide more leverage for the local authority to step in.

Bob Blackman: I thank the hon. Gentleman for that intervention. Clearly, local authorities that choose to outsource their responsibilities should not abdicate their responsibility to their tenants. One problem is that when tenants come to complain about that sort of issue, local authorities can wash their hands of it and say, “That is nothing to do with us. You have to go to the service company.” Tenants then find it difficult to identify who is actually responsible, and there are many examples in my constituency of where individual tenants have complained but have not been able to get the service that they should get from their landlord, be it a housing association or the local authority.

Matt Western: I thank the hon. Gentleman for being so generous in giving way again. In my local authority, I understand that the budget for maintenance and repairs to local authority-owned properties in this financial year ran out before Christmas, so the authority is unable to make those repairs.

Bob Blackman: I thank the hon. Gentleman for that intervention. We all recognise the clear pressures on local authority budgets, but the key issue is that it is the local authority’s responsibility to find the money to honour its obligations. I cannot talk about an individual council’s budget, but the reality is that councils have legal obligations to provide tenants with decent quality homes, and they should not ration the service they provide.

Almost a year ago today, I was standing up and speaking on my Homelessness Reduction Bill—now the Homelessness Reduction Act 2017—on Report. I remind the hon. Member for Westminster North that the only amendment accepted by the Government when the Bill was in Committee was her amendment, which means that local authorities, when placing vulnerable people in accommodation, have to inspect the premises and ensure that they are fit for human habitation and safe. That was a dramatic change to the law, but it is a narrow requirement relating only to when vulnerable people are placed in accommodation by local authorities. I am therefore delighted that this Bill will force all landlords to bring their homes up to a decent standard in an acceptable fashion.

However, I just want to raise one or two concerns, because I think the Bill can be improved still further. Tenants need to understand their rights and those rights need to be enforced. I want protection for people who complain about their landlords, so that we do not see retaliatory evictions, as mentioned by the right hon. Member for Kingston and Surbiton (Sir Edward Davey).

We do not want people who take action suddenly to find themselves homeless because the landlord has said, “You can take me to court if you want, but if you do, I am going to evict you as a result.” That would be reprehensible and we have to find a way of combating it.

The Bill gives tenants the right to challenge bad landlords, but the primary responsibility for inspecting and ensuring that properties are safe should reside with local authorities. I am concerned that local authorities are now unable to carry out that function due to a lack of funding. The Bill’s explanatory notes state that a money resolution is not needed, but local authorities should be provided with more funds to enable them to enforce the rules that should apply. I ask the Minister to look at that, because the Department needs to consider the matter in the round to ensure that local authorities are given the necessary resources to ensure that people can live in decent accommodation.

Rebecca Pow: I commend my hon. Friend for introducing the 2017 Act, under which money has been made available to local authorities to carry out some of their new duties. Therefore, does my hon. Friend agree that there needs to be some support for local authorities in order to make this Bill work?

Bob Blackman: When I got my Act through, the Government were generous and produced some £83 million to support the first two years of the legislation, £17 million of which came as a result of the amendment of the hon. Member for Westminster North to ensure that homes are inspected and made fit for habitation before anyone is moved in. That was much narrower than the broader requirement in this Bill, so there is the need for a substantial injection of cash into local authorities.

Lloyd Russell-Moyle: Does the hon. Gentleman agree that the 2017 Act is still not being enforced in many cases? At Christmas, a mother from my constituency was moved into temporary accommodation where the toilet was overflowing, and that situation stayed the same until I intervened; the local authority only took action after that intervention. That shows that the 2017 Act is too weak and that without resourcing for local authorities, without increasing the cap on housing investment and without proper enforcement, these are nice words, but they are unenforceable.

Bob Blackman: The hon. Gentleman and I would agree that we clearly need to ramp up activity and funding and give local authorities the powers and resources that they need to carry out their duties under both this and other pieces of legislation.

I ask the Minister to consider the sentencing guidelines for rogue landlords. A maximum fine of £30,000 may be possible, but it is rare for the courts to issue such fines. Not only should fines be reinvested into the inspection and enforcement process, but we need clear sentencing guidelines so that magistrates courts can maximise fines, particularly in the worst-case scenarios.

Clive Lewis (Norwich South) (Lab): On a point of order, Madam Deputy Speaker. May I just confirm something? We only have 23 minutes until the statement, and is it correct that this very important debate must conclude then?

Madam Deputy Speaker (Dame Rosie Winterton): There will be a statement at 11 o’clock, but the debate will not conclude then.

Bob Blackman: For the hon. Gentleman’s information, I am coming to the end of my speech. I am very supportive of the Bill, and the debate will be interrupted
while we have the statement, but it will continue to its conclusion thereafter, so he does not have to worry about that.

I have another concern about the legislation’s implementation period. The explanatory notes state that the provisions will come into force three months after the Bill becomes an Act, but will the Minister consider whether there is any need for secondary legislation—for any regulations—when the Bill becomes law? The Government are introducing myriad secondary legislation next month in relation to my Homelessness Reduction Act, and we do not want to reach a situation where much-needed secondary legislation is not ready in time for this legislation’s commencement, which could lead to problems later on.

In summary, I strongly support this Bill and trust that it will receive the House’s unanimous support. If the hon. Member for Westminster North wants me to serve on the Bill Committee, I will be delighted to do so to help her get the Bill through Parliament.

10.39 am

Dr Rupa Huq (Ealing Central and Acton) (Lab): It is a pleasure to follow my near north-west London neighbour in one direction, the hon. Member for Harrow East (Bob Blackman), and to support a Bill introduced by a north-west London neighbour in another direction, my hon. Friend the Member for Westminster North (Ms Buck).

When we consider legislation, there is usually a sophisticated lobbying operation through Change.org and 38 Degrees spamming us with lots of emails, but on this Bill I have been contacted by a far wider range of people. In fact, every Friday at my surgery—I will hold my surgery after I finish here today—people come before me to ask, knowingly or unknowingly, for this legislation.

In September 2017 my office went over the 20,000 mark of individual cases processed since 2015, and a large number of those cases are housing issues. People come and show me on their phones pictures of damp problems that are too big to be dealt with by buying a spray, and “Bang! And the dirt is gone.” It is a bigger problem when the ceiling is caving in. There are people living in properties with rodent infestations, and their children cannot sleep at night because of the gnawing.

There are a multitude of cases, and I am getting a strange sense of déjà vu because in 2015 one of the first debates I spoke in was on my hon. Friend’s Homes (Fitness for Human Habitation) Bill. That Bill was talked out by Conservative Members, which is why some Opposition Members were getting jittery when the hon. Member for Harrow East was being a bit loquacious. We are relieved to hear that he was not trying to talk out the Bill. It is not a good look for a Government after the next general election that is for the many, not the few.

Luke Hall (Thornbury and Yate) (Con): It is a pleasure to speak in this debate and to follow some fantastic and informative contributions from both sides of the House. I too will be brief, because I know a number of Members wish to contribute. I start by welcoming the Minister to her place and by congratulating my hon. Friend the Member for Harrow East (Bob Blackman) on all his work on his Homelessness Reduction Act 2017. I congratulate the hon. Member for Westminster North (Ms Buck) on her cross-party work over a number of years to ensure the Bill can be supported. I rise with the intention of supporting the Bill today.
The Bill will grant tenants the right to take action in the courts against landlords who fail to ensure that their property is fit for human habitation, and a number of colleagues in the House today will identify with and recognise some of the stories and examples that have already been raised, especially by the hon. Lady. We have all seen the damp and the lack of proper drainage and water in some properties, and I thank her on behalf of a number of constituents in Thornbury and Yate for raising this matter.

I also pay tribute to the citizens advice bureau in south Gloucestershire and South Gloucestershire Council for all their work and for the thoughts they provided ahead of this debate. It is clear that the current system needs updating. If a tenant is living in an unfit property, the housing health and safety rating system allows local authorities to assess whether the property contains serious risks to the individuals living there, and where it does, the local authority requires the landlord to reduce or, ideally, remove the risk.

The upshot is that an offence is committed only when a landlord fails to comply with the enforcement notice, and the upshot of that is that tenants have to rely on the local authority to take action on hazardous properties, and are unable to do so themselves. I welcome that the Bill is righting that wrong across all sectors by putting an obligation on landlords to keep their property in good condition.

As has been pointed out, there are already statutory obligations on most landlords to keep in repair the structure and exterior of their properties, and a number of other factors. However, provisions requiring landlords to ensure their properties are fit for habitation have realistically ceased to have any effect—that has been explained much better than I could by the hon. Member for Sheffield South East (Mr Betts).

Where a landlord fails to maintain a property so it is fit for habitation—the Bill’s definition of which will include freedom from damp, proper ventilation, proper water supply and drainage, and a number of other factors that everyone here would take for granted in our own lives—the Bill empowers tenants to take action themselves in the courts, giving tenants the ability to hold landlords to account where there has been a failing and allowing tenants to apply for an injunction.

Antoinette Sandbach: Does my hon. Friend agree that the fact tenants will be able to receive damages is a huge improvement, particularly because living in substandard accommodation, such as accommodation with mould or damp, can be incredibly depressing and can have an effect on people’s mental health? The punitive element of damages will make a real difference to enforcement, and hopefully lawyers will enforce tenants’ rights through no win, no fee cases.

Luke Hall: My hon. Friend is absolutely right. This Bill not only gives the power to hold landlords to account by making them carry out the works; it also gives the power to instruct compensation, which is a real strength.

The Bill achieves all that while still being proportionate. It is not overly burdensome on landlords because of the simple principle that it should not increase costs or create cumbersome work for the vast majority of landlords who are already providing a good service and safe, good-quality accommodation to their tenants. The Bill will push landlords to act proactively, and I hope it will create a ripple effect to create more of a safety and people-first culture in the industry.

The Bill also seeks to protect landlords from potentially spurious claims by ensuring that landlords are not liable if the property is not being used for the purpose for which it has been let. Landlords will not be responsible for repairing items that the tenant may remove from the property—essentially the tenant’s own property. Just this morning, I was contacted by a landlord in my constituency, who welcomes this Bill because it is not seen as a threat; it is actually supporting the industry by enhancing the reputation of the vast majority of landlords.

I will conclude, as I know a number of Members wish to speak. This Bill empowers tenants, protects landlords and will drive up standards across both sectors. I pay tribute to the hon. Member for Westminster North for bringing it forward and look forward to supporting it today.

10.50 am

Sandy Martin (Ipswich) (Lab): I wish to pay tribute to my hon. Friend the Member for Westminster North (Ms Buck) for introducing this Bill and to my hon. Friend the Member for Sheffield South East (Mr Betts) for the debate we had in Westminster Hall yesterday afternoon on supported housing. Although that was clearly not on exactly the same issue, many of the tenants we are talking about in this Bill are very vulnerable people and clearly there is a benefit to society in enabling the maximum number of people possible to lead independent lives. Some of the people who are not currently able to gain redress for inadequate housing run the risk of ending up either in supported housing or in hospital.

Just last weekend, I called on a couple who invited me into their flat to show me the mould that had grown all around their bathroom, under the window in their sitting room and even in the bedroom. This couple live in a council flat in Ipswich, so I was able to pass on their details to the local councillors in the strong expectation that something will be done to rectify the situation. Of course, the council does not always get things right. I believe Ipswich Borough housing is an exemplar of good practice, but even good landlords get things wrong sometimes. That is why it is so important that this Bill will apply to local authority housing properties, in the same way it does to private rented accommodation. Indeed, in some ways, it impacts more on those public sector tenants who need its help than it does on private sector tenants, because whereas a private sector tenant might hold out some hope that they could persuade the local council to act legally on their behalf, a council is not going to take out a legal case against itself.

One would hope that accountable local authorities would take their responsibilities to their tenants seriously enough to rectify any unfitness without the need for legal recourse, but unfortunately that is not always the case; in such cases, council tenants have no recourse to the law at all. This Bill will enable council tenants to take legal action against their landlord if no action is taken to put right any unfitness, just as it will for private sector tenants. I know that Conservative Members would not be willing to accept a Bill that unfairly favoured
public sector housing over private sector housing, and rightly so, and this Bill does not do that. I could wish that, in the interests of fairness and a level playing field, Conservative Members might consider other measures for the private sector, and changes to the law and regulations for the local authority sector, but I think that is for another day.

Of course, although this Bill does afford a very important and necessary protection to council and housing association tenants, the majority of the problem exists in the private sector. In the east of England, 20% of private sector rented stock is in a state that poses a serious risk to its tenants’ health, as compared with just 8% of the council and housing association stock. In my 20 years as a local councillor I was constantly being contacted by distraught residents who showed me mouldy walls, dodgy banisters, awkward and cramped entrance halls, and rickety windows. I would raise these issues with council officers but in almost every case I was told there was no action the council could take with the private sector landlord on these matters. This Bill will empower the tenants themselves to demand safe and healthy homes from their landlords.

I do not believe that there will be any rash of prosecutions as a result of this Bill. I believe it will focus the minds of those landlords, both private and public, who do not currently pay quite enough attention to the welfare of their tenants and encourage them to provide the level of service that 75% of landlords are already providing. All good landlords should welcome this Bill. Why should the 75% who provide fit and proper housing be undercut by rogue operators or see their sector tarred with the brush of inadequate maintenance or shoddy flat conversions? I am delighted that this Bill is receiving support from across the House, and I look forward to it becoming law.

10.54 am

James Heappey (Wells) (Con): I join colleagues from across the House in congratulating the hon. Member for Westminster North (Ms Buck) on introducing the Bill and on her opening speech, which set out well why the Bill is so important. It addresses an important issue for not only some of my constituents, but constituents from across the country. I join colleagues from both sides of the House in recognising that the vast majority of private landlords are not rogue landlords and act responsibly, providing their tenants with excellent accommodation and service. However, the reality is that a small minority exploit some of the most vulnerable in our society and this Bill is hugely important in addressing that. I am therefore pleased the Government have decided to support the Bill today, and I add my support to that.

The Government have already made good progress. Since 2010, we have introduced powers for local authorities and, with those, provided £12 million to help authorities to identify and prosecute some of the worst offenders. I understand that 70,000 properties have been inspected, and that 5,000 landlords have had further action taken or even had a prosecution brought thereafter. The Government have also brought in measures to protect tenants against retaliatory evictions, and last year further measures were introduced to clamp down on rogue landlords, which could lead to penalties of up to £30,000. That is very welcome indeed. But clearly those measures alone, as the Government recognise, are not enough, and there is more—

Sir Edward Davey: The hon. Gentleman missed out one regulation from his list—the one on minimum energy efficiency standards in the private rented sector, which I brought to this House and which it passed, and which can be a huge attack on fuel poverty. Will he join me to ensure the Government go ahead and implement those from April this year, so that we can tackle fuel poverty and the worst examples of uninsulated homes in the private rented sector?

James Heappey: The right hon. Gentleman knows that he and I are fellow travellers in our enthusiasm for home energy efficiency, and indeed that was exactly what I was moving on to in my speech. I fear, however, that he may need to stay for a little while during the statement in order to hear both parts of my thoughts on home energy efficiency, as I suspect an interruption may be imminent.

The Government have introduced some excellent measures thus far. There is much more to do, as they have recognised, and of course this Bill is therefore hugely important in addressing what remains to be done. As the right hon. Gentleman said, one key part in ensuring that homes are fit for habitation is how well insulated they are and how energy-efficient they are. Too many people live in fuel poverty, not necessarily because they have not got the money to heat their property, but because their property is so poorly insulated and the appliance within it so inefficient that the costs of heating that property are disproportionate to what they should be if all of those measures were adequately in place. We have to start to move on from an argument that all that matters in housing is providing it at the most affordable cost to rent and buy—equally important, surely, is what it costs to live in the property each month thereafter. In talking today about homes that are fit for human habitation, we should be very much focused on making sure that the houses people are living in are not only affordable to rent, but affordable to live in each month. That requires much higher expectations of landlords on the home energy efficiency measures and the insulation in their properties.

One Opposition Member, either in the second speech from that side of the House or in an intervention on the opening speech, gave a startling statistic about the cost each year to the NHS of people living in poorly insulated homes. I think the figure was £1.4 billion, which seems to me to be a good reason why we should make better-insulated and more energy-efficient homes a higher priority, so that people can not only live in comfort but afford to live in their home.

I see that you are on the edge of your seat, Mr Speaker, so I shall draw my remarks to a close and let other business proceed.

Mr Speaker: That is extraordinarily considerate, and characteristically so of the hon. Gentleman, in time for the statement by the Lord Chancellor and Secretary of State for Justice.

Proceedings interrupted (Standing Order No. 11(4)).
Parole Board: Transparency and Victim Support

11 am

The Secretary of State for Justice and Lord Chancellor (Mr David Gauke): With permission, Mr Speaker, I should like to make a further statement on the Parole Board’s decision to release John Worboys and the Government’s response to the issues raised by this case.

I know that the victims of these horrific crimes have suffered significant emotional trauma. The prospect of the release of this man is deeply concerning to them, to many Members and to the wider public. I owe it to those victims and to the public to consider all the options open to me as Lord Chancellor and Secretary of State for Justice. I therefore took the step of seeking legal advice from specialist leading counsel to establish whether there were grounds to challenge the decision in the courts and therefore to ask the court to stop the release of Worboys before the decision was reconsidered.

Let me set out my approach to judicial review in general. Whatever one’s personal feelings about a case, Ministers should not choose to bring a legal challenge that has no reasonable prospect of success, but it is right that public bodies can be held to account for their actions through due process of law and, specifically, judicial review. There has been significant public debate about the possible basis for a legal challenge in such a case. It has been speculated that there are two grounds open to me to challenge such a decision: that the decision was one that no board could reasonably have taken, or that there were significant procedural failings in the way that the decision was taken.

The bar for a judicial review to succeed is very high. The test for deciding whether a decision is unreasonable is not simply that the decision maker—in this case, the Parole Board—could have made an alternative decision, but that no reasonable person would have come to the same conclusion on the facts of the case. Similarly, on procedure, it would be necessary to identify a failure by the Parole Board to follow the process that would have had a material impact on the decision.

Having taken considered and expert legal advice, I have decided that it would not be appropriate for me, as Secretary of State, to proceed with such a case. Members will appreciate that I cannot go further and expose detail of the legal advice that I have been given. I know that will disappoint the victims in this case and Members. Given the crimes for which Worboys has been convicted, on a personal level, candidly, I share those concerns.

I have taken a close personal interest in this case since I assumed office as the Secretary of State for Justice. It is important that all the victims have clarity as soon as possible, which is why I am before the House today. I can reassure the House and the public that Worboys will not be released until his licence conditions are in place. Indeed, last week, I asked for assurances that the views of victims were being taken into account and that robust licensing conditions would be put in place to manage his risk.

I am aware that some third parties have indicated that they are seeking to bring legal proceedings themselves and that correspondence has been served on me, as Secretary of State, as a potential interested party to any litigation. I fully support the right of victims to take their own legal advice and to challenge the decision. The approach I am taking does not mean that others, who may have significant interest in the case, are precluded from taking action. Each case depends on the circumstances of each individual bringing a claim. That is one of the reasons why I do not intend to say more on this matter. I would not want to prejudice any legal challenges by commenting further on the facts of this case or the legal advice I have received. I will be taking advice on how my Department should consequently engage in any proceedings, but it would not be appropriate to comment further at this stage.

It is vital that the public and victims have confidence in the justice system, which is there to serve them. This case has exposed some issues with the parole process as a whole. I have already indicated that aspects of the parole process more generally should be examined. In my statement on 9 January, I said that my Department would review the case for transparency in the parole-decision process, how victims are communicated with and how they are appropriately engaged in that process. I now believe that that review should go further, so I have expanded its terms of reference to include consideration of the law, policy, guidance and practice relating to challenges to Parole Board decision making. I have published them today and placed a copy in the Library.

In particular, I have expanded the review to include consideration of whether there should be a mechanism to allow parole decisions to be reconsidered and how that might be best achieved, while retaining the independence of the decision-making process. The review remains a priority for me and for the Government, and despite the significant expansion of the terms of reference, I intend to complete it before Easter.

I acknowledge the concerns that the victim contact scheme, which is operated by the National Probation Service, may not have worked as well as it should have in this case. It is right that, as well as looking at the process around parole decisions for all cases, we consider whether existing processes were followed in this instance. I have therefore asked Dame Glenys Stacey, Her Majesty’s chief inspector of probation, to conduct a rapid fact-finding exercise to confirm whether the legislative provisions, existing policy and processes relating to victims were adequately followed by the National Probation Service in this case. Her findings will inform the wider review.

As I have said, I know that Members are concerned about this case and about how we deal with the release of offenders. I hope that this statement has reassured them of the thorough and careful consideration that I have given to this difficult case and that we are now giving serious and urgent consideration to ways in which the process can be improved to reassure not only victims of these terrible crimes but the wider public.
11.7 am

Imran Hussain (Bradford East) (Lab): I thank the Secretary of State for prior sight of his statement.

Two weeks ago, it was announced that John Worboys would be released from prison. In those two weeks, it has been absolutely clear that the victims of his vile crimes feel that our criminal justice system has let them down. The criminal justice system must ensure that it has the victims of crime at its core. When it fails in that, it not only affects the direct victims themselves but risks undermining wider public trust in our justice system.

As Labour has reiterated since John Worboys’s release was announced, it is important that the Secretary of State does everything in his power to ensure that the victims of Worboys’s crimes, as well as the wider public, have faith in our justice system. Many will be disappointed by today’s news. It is understood that legal advice cannot be shared and that the Secretary of State does not want to prejudice other cases, but today’s news makes the need for changes in the Parole Board even more pressing.

The existing rules permit either the Secretary of State or victims to seek judicial review. Many will have seen that some victims are doing just that, and they have attracted much public support for their fundraising efforts. Judicial review is a key tool for every citizen to be able to challenge unjust or unlawful decisions by the state or other public bodies. Deep cuts to legal aid have undermined the ability of many to pursue judicial review. Will the Government commit today to using their review of legal aid to look again at how it can support judicial reviews?

Any judicial review would look at whether the Parole Board’s decision was taken properly. If it was not, the case would go back to the Parole Board for it to look at again. As it stands, though, the existing rules mean that we still would not know the reasons for any subsequent Parole Board decision.

As the Opposition have said repeatedly both here and elsewhere, there is no need for the review of Parole Board transparency to debate the case for greater transparency. It should be a practical review of how to ensure the public are informed of the reasons behind decisions. Just as the public are clear about court judgments, they must be clear about Parole Board decisions. Greater transparency has widespread support. We therefore welcome the widening of the review announced today, especially the idea of a mechanism to allow Parole Board decisions to be reconsidered, while retaining its independence. People were shocked that some victims found out about the decision to release Mr Worboys through the media.

Labour has said from the outset that it is totally unacceptable and very concerning that some were not given the opportunity to participate in the Parole Board hearing, as was their right. The victim contact scheme is responsible for informing victims of significant changes in a case, including Parole Board hearings. This service is managed by the National Probation Service, which has experienced significant difficulties, especially case overload, since the Government’s reforms to probation services in 2014. Labour has called in the House on the Government to look into the failings in the NPS and victim contact scheme, so it is a step forward that the Secretary of State has now asked Dame Glenys Stacey to conduct a rapid fact-finding exercise into the role of the NPS. He needs to ensure that this answers the question whether his Government’s wholly negative changes to the probation service contributed to any failings in this case and how he plans to address them.

I have listened to the statements of Mr Worboys’s victims in recent weeks, and it is clear that their concerns are not limited to the decisions or functioning of the Parole Board. Labour has repeatedly stated that the Worboys case raises so many serious questions that anything less than an independent end-to-end review into the handling of the case, from the first report to the police of an attack through to the Parole Board hearing, would let down the victims and wider public. Labour has repeatedly called for this wider inquiry, but it is not clear why the Secretary of State has repeatedly refused it. It is a reasonable and rational request and would help to rebuild public trust. I hope that he will take this opportunity to reassure the House that he will undertake this end-to-end review.

Mr Gauke: I thank the hon. Gentleman for his questions. In the context of wanting to support the victims, he was right to focus on the areas that he did, and I am grateful to him for not pressing me further on either the facts or the legal advice.

It is right that the victims be treated with concern and sympathy and that all due processes be followed. We need to understand precisely what happened in this case and whether support was provided as it should have been, which is why I am pleased that Dame Glenys Stacey is undertaking that role. I share the hon. Gentleman’s instincts for greater transparency in Parole Board decisions. It frustrates victims that they do not get to know what is happening or the reasons for a decision. Equally, it can be frustrating for the Parole Board, too, if it cannot articulate its reasons. We need to look carefully at this, but we also need to move swiftly, which is exactly what I intend to do.

On an end-to-end review, my focus has been on transparency and victim support, which are the immediate issues in front of us. I recognise that there is a debate about the original investigation and how these indeterminate sentences for public protection, which we have now abolished, operated, but it is right at this point that our reviews focus on transparency and the victims and that they continue as a priority to look at how these matters are dealt with.

Robert Neill (Bromley and Chislehurst) (Con): Happy birthday, Mr Speaker.

It is clear that my right hon. Friend the Lord Chancellor has applied himself to what is a very serious and troubling case with the greatest scrupulousness and care. He is to be commended for having applied a difficult legal test to what is ultimately a legal decision, and I welcome his extension of the review into the operation of these matters. Does he agree that one political and policy decision we could make as soon as possible would be to change the Parole Board rules to permit Parole Board panels to give reasons for their decisions. It would likely command support across the House and, as he rightly observes, have the support of the Parole Board itself. It would also be of great reassurance to the public.

Mr Gauke: My hon. Friend makes a good point. We understand the full implications of greater transparency in Parole Board decisions and what those implications might involve. It is not my desire that as a matter of
course offenders should take cases where, for example, Parole Board panels have taken the firm line, based on the evidence in front of them, that they should not be released. We need to understand the full implications, but there is clearly a case for much greater transparency.

**Sir Edward Davey** (Kingston and Surbiton) (LD): I welcome the statement and the Lord Chancellor’s decision to widen the review’s remit. That will command support on both sides of the House. Has he been informed whether the Crown Prosecution Service and police are reviewing the many other serious allegations against Worboys and whether there is any chance of further charges being brought against him before he is released? This is the question that many of the victims really want answered.

**Mr Gauke:** I can well understand why the right hon. Gentleman raises this issue. It is a matter for the CPS and Metropolitan police, however, and there is nothing I can say to inform the House this morning on that point.

**Antoinette Sandbach** (Eddisbury) (Con): May I urge the Secretary of State’s predecessor on 8 January—it is a public letter to inform the House this morning on that point.

**Mr Gauke:** The hon. Gentleman has put his point, which is a very fair one, on the record. To some extent, I refer to my earlier answer, but clearly with regard to whether there is a public interest case in bringing further prosecutions, that is no doubt something that both the Metropolitan police and the Crown Prosecution Service will want to consider.

**Victoria Prentis** (Banbury) (Con): I should declare that during my 17 years in the Treasury solicitors department I frequently acted for both the Secretary of State and the Parole Board and sometimes for both together.

I commend the Secretary of State for his detailed work on this case. Can he reassure us that the views not only of the statutory victims but of the wider group of victims known to the authorities will be taken into account?

**Mr Gauke:** My hon. Friend raises an important point. There are different systems in place for the statutory victims versus others, but sometimes, as in this case, there will be many people who essentially are victims but not in respect of any convictions—in this case, Worboys’s convictions—and we need to ensure that the system works for them as well.

**Ellie Reeves** (Lewisham West and Penge) (Lab): Following the Secretary of State’s previous statement earlier this month, I raised the importance of confidence in our justice system, and my fear is that the decision not to judicially review the Worboys decision will not reassure the public. He has talked about greater transparency, but I want to press him on the point that the hon. Member for Bromley and Chislehurst (Robert Neill) made. Will the Secretary of State commit to changing the statutory rules, so that Parole Board decisions are open not just in the Worboys case but in future cases as well?

**Mr Gauke:** The intention is to look at what can be done to increase transparency, and I will, of course, come back to the House with more detailed proposals once the review has been completed.

**Antoinette Sandbach** (Eddisbury) (Con): May I urge the Lord Chancellor to write to the CPS and ask it to undertake a review? It might well be that the public interest test was not satisfied because an indeterminate sentence had been given, and the change in circumstances may mean that that test is now satisfied in respect of victims whose cases were not prosecuted. Will he give that undertaking to the House today?

**Mr Gauke:** As my hon. Friend will be aware, accountability for decisions on prosecutions is not an area that falls within my responsibilities. However, I very much understand and sympathise with her point, and I know that this is an issue on which the Attorney General is very focused.

**Bambos Charalambous** (Enfield, Southgate) (Lab): Following on from the comments of the hon. Member for Eddisbury (Antoinette Sandbach), will the Minister be looking at how the CPS and the police deal with cases where it comes to light that, in cases of serious offences such as this, there are further victims? John Worboys was convicted of the rape of and sexual assault against 12 women, but more than 85 others came forward after the event, and that needs to be looked at in case similar such events occur.

**Will Quince** (Colchester) (Con): It is essential that we not only recognise and respect the independence of our legal system, but recognise that the public are disappointed and angry with the Parole Board’s decision. Does my right hon. Friend agree that, by opening up the Parole Board’s decisions and making them more transparent, the public may still disagree with the decision, but they will have an understanding of how that decision was reached?

**Mr Gauke:** Yes, my hon. Friend makes a very good point. As a society, the direction that we have gone in more generally has been towards greater transparency. As Professor Nick Hardwick was one of the first to make that point, there is clearly a case in this context for the Parole Board as well.

**Stella Creasy** (Walthamstow) (Lab/Co-op): Although all of us understand the desire not to prejudice any possible action by the victims, a letter from the Secretary of State’s predecessor on 8 January—it is a public letter open to MPs—states that the victims were not contacted until October, having last had contact in 2009. He knows the concern that it is not just about updating the victims, but about involving them in Parole Board decisions. Can he give an assurance that the involvement and participation of victims will be looked at and that he will publish the date in October when contact was made with the Worboys’s victims so that we can understand the process used?

**Mr Gauke:** With regard to the facts of a particular case, that is exactly what Dame Glenys Stacey will be investigating. I have no doubt that she will make public her conclusions. It is very important that victims are involved. I know that in this case they are involved, as I said earlier, in making representations in terms of licensing conditions. It is right that due and appropriate weight is given to those representations when it comes to determining the licensing conditions.
Mr Philip Hollobone (Kettering) (Con): My constituents in Kettering believe that the best way to protect the public is for violent offenders to be kept behind bars, and they take the straightforward and honourable view that if an offender is sentenced to a term of imprisonment, the offender should serve that sentence in prison in full before being released. Given that this is a statement about the transparency of Parole Board decisions, who is held to account in the Parole Board, and how, if those released early reoffend?

Mr Gauke: The numbers of reoffences are put into the public domain. Clearly, that is one of the tests of the effectiveness of the Parole Board. It is clearly a matter of priority for all of us that people who are dangerous are not released. The test for a Parole Board panel in the context of one of these IPP prisoners is an assessment of their risk to the public, and that is what the Parole Board must determine in these circumstances.

Louise Haigh (Sheffield, Heeley) (Lab): My hon. Friend the shadow Minister is absolutely right that this case raises wider issues about the rights of victims in our criminal justice system, right through from the offence being committed, through the process and to parole. Will the Secretary of State tell us when he will bring forward the victims’ Bill that was promised in 2015?

Mr Gauke: All I can say is that since being newly appointed, I am receiving advice on what we can do to make progress on this matter. I hope to be able to update the House in due course, but I do agree with the hon. Lady that the victims are vital in the system.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I thank the Lord Chancellor for the detailed explanation for his decision, and I welcome his comments on further transparency, which will of course increase public confidence and, importantly, victims’ confidence in the system. He says that he wants these changes to happen quickly—how soon does he anticipate that changes can be made to the system?

Mr Gauke: Well, even though the review has been broadened, and even though we are looking more widely not just at transparency but at whether there should be an opportunity for the Parole Board to look again at decisions, that review will report by Easter. Obviously, the timing will depend on precisely what it recommends, but I am keen to make progress as quickly as possible.

Diana Johnson (Kingston upon Hull North) (Lab): May I too welcome the extension of the review that has been announced today? However, there are serious questions to be answered about the way that the police and the CPS operated in this case. I do not think that it is satisfactory just to leave it to the Metropolitan police and the CPS. I want to know what the Home Office—the Under-Secretary of State for the Home Department, the hon. Member for Louth and Horncastle (Victoria Atkins), is sitting next to the Secretary of State—and the Attorney General’s Office are doing to look at what happened in those early stages and whether this man should have been charged with further offences.

Mr Gauke: I know that both the Home Secretary and the Attorney General have been very focused on this case. I hope that the hon. Lady will understand that my focus has been on the immediate issues, which relate not only to the consideration of judicial review but to the issues of transparency and support for victims. Of course there are questions that probably do need to be asked about how the IPP system, which this Government have abolished, operated in terms of whether it met the test of honesty in sentencing, but perhaps that is a debate for another day.

Helen Whately (Faversham and Mid Kent) (Con): Recognising the importance of the independence of the judiciary, but considering in this case the crimes, the victims and the level of public concern, can my right hon. Friend assure me that he has sincerely looked into all the options in this case?

Mr Gauke: Yes, I can give my hon. Friend that assurance. Without dwelling on the details of the reasons that I have already set out, I have given very long, close and serious consideration to my options.

Jo Stevens (Cardiff Central) (Lab): The Secretary of State has quite rightly concentrated on the victims and the issue of transparency in his remarks, but he also referred to the fact that there are some victims who are crowdfunding to bring potential legal proceedings. That is because civil legal aid has been severely restricted for judicial review cases by the previous coalition Government. Will he please look again at the availability of civil legal aid for judicial review?

Mr Gauke: In the context of legal aid generally, the hon. Lady will be aware that there is currently a review of that. I do not intend to say any more on that until that review has been completed.

Huw Merriman (Bexhill and Battle) (Con): It is very reassuring that despite having been in post for only a short time, the Lord Chancellor has sought to get behind the victims of this terrible, terrible case. May I press him on the point that has just been made about legal aid? He has mentioned that he supports the rights of the victims potentially to pursue their own cases. Will there be discretion from the Legal Aid Agency perhaps to provide funding for those victims to do so?

Mr Gauke: In terms of the action that may be brought by victims on this, I do want to be very careful in my remarks. As I have said, just because I am not taking action does not mean that others cannot, because these legal cases can depend precisely on the position that they are in. It is the case that legal aid generally remains available for advice, assistance and representation in relation to judicial review of an enactment decision, act or omission, and that would include decisions of the Parole Board where there is sufficient benefit to the individuals in bringing judicial review.

Kevin Foster (Torbay) (Con): All of us in this House respect the independence of the judiciary, but transparency needs to come with that independence—hence sentences are given in open court and judgments are available for all to read. Does the Secretary of State therefore agree that the outcome of this review must be greater transparency in Parole Board decisions, which are such a key part of our criminal justice system?
Mr Gauke: Yes, clearly the direction we are moving in is towards greater transparency. There are some details that we need to master and fully understand, but the direction of travel is clear.

Chris Philp (Croydon South) (Con): I welcome the extended review that the Justice Secretary announced. Will he confirm to the House that it will include a very detailed assessment of the decision-making processes that the Parole Board goes through, particularly in reference to expert reports from, for example, Dr Jackie Craissati in this case, that are at the heart of such decisions, in order to ensure that those experts are suitable to give the expert advice that they provide?

Mr Gauke: This is clearly going to be a broad review of how the Parole Board works, and the importance of particular expert evidence will be part of the process of considering how it operates.

Lucy Allan (Telford) (Con): I too welcome the Lord Chancellor's statement and the decision to expand the review. However, he will be aware that this is not the first such case. Mubarek Ali, a serial child sex exploitation offender, was released only five years after his trial, having been given a 20-year sentence. His victims felt that the victim contact scheme let them down. Will the Secretary of State consider this case as part of his expanded review?

Mr Gauke: I would certainly be interested to receive more information from my hon. Friend when looking at how the victim contact scheme works. If there are other examples where questions have been raised, the review will clearly need to take them into account.

Rebecca Pow (Taunton Deane) (Con): I welcome the Secretary of State's measured approach to this sensitive and emotive issue. The matter highlights the importance of care and support for victims, and the need to listen to them. It also brings into focus the victim contact scheme. Will the Secretary of State give assurances that it will be looked into? Is it fit for purpose, and was the process adequately followed by the Parole Board?

Mr Gauke: Frankly, different views have been put to me on how the victim contact scheme worked in this particular case. There is conflicting evidence. It is absolutely right that we have the review by Dame Glenys Stacey so that we can properly understand what happened and what lessons can be learned.

Nigel Huddleston (Mid Worcestershire) (Con): I welcome the Justice Secretary's commitment to a broader review and appreciate that he has set himself a pretty aggressive timeline. If the end result is generally going to be a better reflection of victims' views, can he assure me that the review will engage the victims?

Mr Gauke: Yes, it is essential that victims are engaged in the process.

Tom Pursglove (Corby) (Con): I think that all hon. Members across the House recognise and appreciate my right hon. Friend's candour with the House. But, for the sake of all victims, will he ensure that all appropriate and measured steps are taken to ensure that he is never put in this position again?

Mr Gauke: The most important thing is not my position, but the position of victims. We clearly need to ensure that victims have a system in which they have faith. When there are large numbers of victims in particular, it can sometimes be a difficult challenge to make sure that their voices are properly heard. Victims are entitled to have their voices heard and we need to ensure that we have a system that works for them.

Mr Speaker: I am most grateful to the Secretary of State and colleagues for the statement and the exchanges on it.
Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill

Proceedings resumed.

11.34 am

John Healey (Wentworth and Dearne) (Lab): It is good to be back debating the Bill again and to speak after the hon. Member for Wells (James Heappey) and the six other very good contributions from Members on both sides of the House who followed the introduction of the Bill by my hon. Friend. Friend the Member for Westminster North (Ms Buck). I welcome the Minister for Housing, Communities and Local Government to her new post and to the Dispatch Box for the first time. I am glad that her first outing is on this important Bill. She came to this post from the Whips Office, so if any of her colleagues at the back start to play up, she is the ideal woman to sort them out.

I give the warmest welcome and strongest congratulations to my hon. Friend the Member for Westminster North, whose speech showed just how and why she is one of the best experts and strongest voices on housing in the House. This is her Bill. It is not a handout Bill from the Government, nor one from outside organisations. Over this is her Bill. It is not a handout Bill from the Government, nor one from outside organisations. Over a long period, she has put together the case and the content for this Bill, and she has built the coalition of support behind it, which includes the Residential Landlords Association, Citizens Advice and the Chartered Institute of Environmental Health. I should also make special mention of Shelter, which made the call for this exact change four years ago in its report, “Safe and Decent Homes”.

I welcome the Government’s declared backing for the Bill. I trust that means that Ministers will do all they can to advance its progress to and through Public Bill Committee and the Lords, and on to the statute books. However, this is something of a greenhouse day for the Labour party, especially for my hon. Friend. Friend the Member for Westminster North. Three years ago, she brought a similar Bill to the House, which the Government blocked. Two years ago, Labour’s Front-Bench team—led by my hon. Friend. Friend the Member for Erdington and Smethwick (Teresa Pearce)—proposed the same legal changes via the Housing and Planning Bill, but the Government voted those changes down. The Minister, the Secretary of State and the Prime Minister all voted against the change that day, so today’s Conservative party change of mind is important and significant; and it is important because this Bill is important.

The Bill gives all private, council and housing association tenants the right to take action in the courts if their landlord fails to let and keep a property that is fit for human habitation—fit for people to live in. That will mean homes that are safe from fire, homes with adequate heating, and homes that are free of vermin, constant condensation or mould. This is so basic. In this day and age, it is extraordinary that landlords currently have no such obligation to their tenants. In practice, tenants can often do nothing about such serious hazards that affect their health and safety.

The Bill is important because it deals with a really big problem. Desperately bad, indefensible standards are widespread. More than 1 million rented properties, which are home to 2.5 million people, have these downright dangerous category 1 hazards. Nearly 800,000 households are private renters. A further 244,000 live in council and housing association properties. New Labour analysis from the official data in the English housing survey that we released yesterday shows that almost 700,000 children are growing up in homes plagued by damp, mould, dangerous electrics or extreme cold, with all the costs to their health and welfare that my hon. Friend. Friend the Member for Westminster North and other hon. Members on both sides of the Chamber have spelt out to the House.

Councils can of course act to help private or housing association tenants, but last year half of all councils served just one or no enforcement notices. One especially active London council served almost half of all the notices nationally last year. That council was not identified in Stephen Battersby’s report, but I suspect that it is not unconnected with my hon. Friend. Friend the Member for Westminster North. Over the past year, my own council in Rotherham has trebled the number of inspections it carries out under the housing health and safety rating system to 721, and half the properties have been found to be a category 1 hazard. The council prosecuted six, but only six, of the landlords.

May I offer the Minister four questions to work on alongside the passage of this Bill? First, will she make a commitment to increase funding for local council enforcement, as Members on both sides of the House have called for, to help to reverse the deep Government cuts to councils since 2010? Secondly, will she confirm that legal aid will be available for tenants taking action to get their landlord to do the work needed? Thirdly, will she extend legal aid to help tenants to claim damages? Fourthly, during the passage of the Housing and Planning Bill, Labour Front Benchers forced the Government to change the provisions to make regular electrical safety checks mandatory. That has been law for two years. When will it be implemented?

The breadth of support for this Bill is a tribute to my hon. Friend. Friend but also telling, especially that from the Residential Landlords Association and the National Landlords Association. The large majority of landlords take their responsibilities seriously and make sure that their tenants’ problems are sorted out promptly. The Bill reinforces what landlords should already be doing. I am glad to say that it follows similar legislation already in place in Wales: the Welsh Government’s Renting Homes (Wales) Act 2016.

As I said, this Bill is important and significant. It is a policy and political landmark to have Conservative Ministers back a Labour Bill to tighten regulation to help renters. The former Housing Minister and now party vice-chairman, the hon. Member for Nuneaton (Mr Jones), stated Tory policy and philosophy in January 2016 when he opposed this change, saying that it “will result in unnecessary regulation and cost to landlords”.—[Official Report, 12 January 2016; Vol. 604, c. 785.]

This was part of the prevailing Conservative approach to market regulation based on the infamous “two out, one in” rule. The Secretary of State this weekend confirming Conservative backing for this Bill was welcome and a significant shift.

Dr Roberta Blackman-Woods (City of Durham) (Lab): My right hon. Friend is making a really powerful speech. Does he agree that the Government should be very grateful to my hon. Friend. Friend the Member for Westminster North (Ms Buck) for bringing forward this legislation...
again and giving them an opportunity to overturn their previous opposition to the measures that he has outlined, including during the passage of the Housing and Planning Bill? Will he join me in pressing the Government to implement the measures in this Bill very quickly, because their resistance to them previously has meant that there has been a delay for tenants in getting the protection they very much need?

John Healey: My hon. Friend is right. I hope that the Minister will acknowledge the opportunity that this Bill gives the Government. I would rather that it were a Government Bill that also went further to make the private rented market fairer. She is also right that there is too long a history of legislation being passed but implementation lagging. She makes a really important point for the Minister to respond to.

This is a welcome and significant shift that shows that Labour is winning the arguments and forcing Government to change policy. It shows that Ministers are coming to terms with the hard reality of our first minority UK Government in 38 years, with no domestic policy programme. That is because it is not covered by their deal with the Democratic Unionist party. If the Government want to act beyond Brexit, only policies that can command some support from beyond their own ranks will stick.

This Bill is an important first step to deal with the failures in a market that the Prime Minister herself describes as “broken”, but more is needed. Alongside the Government’s backing for the Bill, I therefore urge them to rethink their refusal to help renters in other ways. I also urge them to consider backing the Labour plans for longer tenancies, for controls on rents, and for more freedom for councils to license private landlords.

My hon. Friend the Member for Westminster North (Ms Buck), who has worked closely with Government to be able to bring this Bill to a really strong position of cross-party support so that we can all really stand up for what it does.

I refer the House to my entry in the Register of Members’ Financial Interests as a private landlord. As a landlord myself, this Bill has my wholehearted support because it changes the status quo by empowering tenants to take action with legal backbone if their landlord is failing them and their family. The Bill empowers those living in social housing and private rented accommodation to take charge of taking on their landlord to enforce housing standards for their home that has fallen below standard, making it unfit to live in due to serious and immediate risks to their health and safety.

The Bill is an excellent example of something that we should try to use more often than we do—the philosophy of “nudge” politics. I am genuinely hopeful that, because it means that a tenant can compel a landlord to fix these housing failures, the vast majority of landlords will start to discover the satisfaction of proactive property maintenance. Everyone deserves a decent and safe home to live in. Every child should be able to grow up in a home free from damp. Properties both old and new can fail to be properly ventilated, thereby leaving children in conditions that aggravate or indeed create skin and breathing health difficulties.

My constituency extends over a vast area of north Northumberland. It is the most beautiful and rural of constituencies. It consists of over 150 villages, many of which have old, stone-built cottages as the backbone of the housing stock. These bring their own challenges to meet modern heating standards. However, many local landlords have shown creativity by investing in sustainable and renewable heating methods that have given their tenants a greatly improved day-to-day living experience. As my hon. Friend the Member for Rugby (Mark Pawsey) mentioned, a good landlord knows and acts on their responsibilities to provide and maintain a good standard alongside their right to collect rents. Sadly, some private landlords have not been as speedy in making long-term improvements in such old properties, leaving tenants with rotten window frames, which ensure that no amount of heating will keep their home warm, or with poor and degraded provision, which means that entirely avoidable health risks are still in the mix.

One of my frustrations is that the recently built or refurbished social housing for my constituents, mostly in Berwick and in Alnwick, still fails to meet the standard, despite investment for improvements. A family living in Berwick have a daughter with respiratory problems who cannot live with her mother and sisters in their council property. So-called ventilation improvements simply sealed up the property and created such dampness and health problems that the child cannot spend more than an hour in the house before suffering an asthma attack. In fact, I have sat in the living room several times, and each time I have felt a constriction in my breathing airways caused by the damp air.

The so-called improvements have completely failed to do what the family asked for, but we are continuing to battle on, and the housing association wants to fix this problem. It is an example of poor installation—the builders who did the work failed to meet the requirements they were given—that needs to be sorted out. This is a huge frustration to all those involved, but we have to find a way to fix the problem. If we cannot find a different house to which to move them, the Bill will empower my Berwick family—with an amazing mum, who has been fighting for her daughter’s health and for her right to live with her mum—to enforce the improvements. My local authority cannot do so, because it cannot take enforcement action against itself.

The Bill will give thousands of tenants in my constituency a new empowerment to get the home they deserve—from repairs that landlords refuse to complete to a properly ventilated home, free of dampness, with a good and reliable water supply, effective drainage and sanitary systems, facilities for cooking and waste disposal, and good internal arrangements that mitigate and eliminate fire risks. For colleagues with high-rise blocks, the Bill will help with the absolutely key issue of fire risk. We do have the chance to support our constituents, who are newly empowered to get homes to live in of which we can all be proud.
Lyn Brown (West Ham) (Lab): I draw attention to my entry in the Register of Members’ Financial Interests.

I welcome the hon. Member for South Derbyshire (Mrs Wheeler) to her place on the Front Bench—a promotion richly deserved. May I say that I am looking forward to knocking on her door and having a conversation about the contents of my speech?

I fully support the Bill, and I thank my hon. Friend the Member for Westminster North (Ms Buck) for her absolute persistence in trying to see these changes put in place. It is a testament to her dedication and the dogged support of so many people and organisations across the country that the Government are, I understand, content to allow the Bill to proceed this afternoon.

I want to address quickly the development of the regulation of standards in the private rented sector that affects my constituency of West Ham. I know that hon. Members have noticed that my borough of Newham has been largely successful in its application for permission to renew its licensing scheme for private sector landlords. I am very grateful to the previous Minister, the hon. Member for Reading West (Alok Sharma), who took the time to listen properly to our case and acted positively. He might stay so that I could thank him formally and publicly from the Labour Benches.

However, the permission excludes one area of my constituency—the E20 postcode, which includes much of Stratford. I think I understand why the previous Minister did that, but I believe it to be a mistake. Poor-quality housing and abuses by private sector landlords exist in E20, just as they do in every part of my constituency and, indeed, of our country. The exclusion of E20 will make it far easier for these abuses to continue, and I am worried that it may make E20 more of a draw for rogue landlords if it is the only place in which they can take advantage of Newham’s high housing demand while avoiding enhanced enforcement by the council. I will get in touch with the Minister at a later date to offer her a cup of tea and a bun, should she like it—or even something a little stronger, after dry January has finished—so that we can talk this through.

While I am talking to Members on the Conservative Benches, may I say to the hon. Member for Telford (Lucy Allan) that I would really like to invite her to come to West Ham? If she has a look at one of our constituencies, the E20 postcode, which includes much of Stratford, I think I understand why the previous Minister did that, but I believe it to be a mistake. Poor-quality housing and abuses by private sector landlords exist in E20, just as they do in every part of my constituency and, indeed, of our country. The exclusion of E20 will make it far easier for these abuses to continue, and I am worried that it may make E20 more of a draw for rogue landlords if it is the only place in which they can take advantage of Newham’s high housing demand while avoiding enhanced enforcement by the council. I will get in touch with the Minister at a later date to offer her a cup of tea and a bun, should she like it—or even something a little stronger, after dry January has finished—so that we can talk this through.

Lucy Allan: It is excellent that we have this cross-party debate and that we are all working together, and I thank the hon. Lady for her invitation.

Lyn Brown: Excellent. My office will be in touch with the hon. Lady’s to see if we can get a date.

Enabling local authorities to take tough action against rogue landlords is very important and can be a real help in driving up standards. The Bill would tackle the problem at the root by clarifying, updating and strengthening the right of tenants to live in a rental property that is fit to be called a home. As we have heard, a minority of landlords make huge profits from their tenants, who sometimes live in appalling conditions.

Before Christmas, I mentioned the case of a man who was found living in a 1 metre by 2 metres space under some stairs, in a property with 11 other people and with electrical and fire hazards to boot. On the same day, that Newham enforcement team also found three people who were paying £200 a month for a space in an outside shed, and four other separate families who had been crammed into the main house. I believe that it will begin to solve the problem of abused tenants if all landlords, from the beginning of a tenancy, have a clear duty to provide those tenants with basic liveable conditions, and that should be enforced not just by our councils, but by the courts.

Catherine West (Hornsey and Wood Green) (Lab): Will my hon. Friend join me in praising her local authority for leading the way? Other boroughs such as Haringey are now coming on board, with exciting new schemes to crack down on poor landlord practices.

Lyn Brown: Newham Council was absolutely right to take the action it did, and the Government were right to support it further. Only through such schemes, which are paid for by landlords, can we ensure that there is money for enforcement activity and that tenants can live in homes that are fit for them.

All our constituents deserve to have workable and realistic legal redress against landlords whose properties are dangerous, cold or damp. Giving tenants that help will ensure that the horrifying conditions we have heard about today will not be allowed to continue. I am delighted to support this Bill. It is about time that it happens this afternoon.
constituency contains pockets of deprivation—there are housing challenges there too, despite the fact that on the face of it some of those areas look very affluent.

I am pleased that there is currently a particular effort in my constituency to try to deliver improvements to the housing stock. I recently had a productive meeting with Corby Borough Council and its housing staff, and we went through a plan that the council has just produced to deliver a programme of works to help upgrade quite a chunk of the town’s housing stock. Those are very welcome steps, but I accept that performance can be patchy, and in some areas and local authorities the situation is better than in others.

Back in the day when I was a councillor in Wellingborough we were always careful to manage our resources. A lot has been said today about local authority resources, but we always made sure that a comprehensive capital programme was in place, and that housing was regularly placed at the front of that. We were also prudent with our reserves, to ensure that if issues arose that needed addressing, we were able to take the required action.

As I said, there are challenges, but I am pleased that this Bill builds on steps that have already been taken. I am also pleased that it commands cross-party support, because on such fundamental issues it does not matter whether our constituents vote Conservative, Labour, Liberal Democrat or UK Independence party. All of us and all of our constituents—I do not think that any Member could deny this—have concerns about the issue of housing.

The Bill strikes the right balance. It adds an extra tool to the box to tackle the challenges. Constituents visit all of us in our surgeries every week to raise issues about the quality of the housing stock in which they live. However, we must not lose sight of the fact that there are also many excellent private rented landlords who provide a quality, well-managed service that meets the needs of people in our communities. I am pleased that the Bill’s provisions will not adversely affect them through increased costs. It is important that we do not make them feel vilified by the steps we take.

This Bill is an opportunity to congratulate landlords who do it right, provide an excellent service and are mindful of the needs of their tenants. At the same time, however, it offers an opportunity to level up and to make sure that those who are not providing the sort of service and quality of stock we would expect put that right by taking the necessary steps. It adds an extra tool to the battle to achieve that.

I have huge respect for the shadow Minister, the right hon. Member for Wentworth and Dearne (John Healey), but I was slightly disappointed by the tone of his remarks. A lot of steps have been taken in the past few years under this Government to help progress the housing agenda, particularly in getting to grips with the issues under discussion. Let me allude to some of them. The extra £12 million for local authorities to identify and prosecute rogue landlords has led to 70,000 homes being inspected and 5,000 landlords facing action or prosecution. Steps have been taken to address retaliatory action when legitimate complaints are made—surely we can all welcome that as a step forward. It is no longer possible to serve open-ended eviction notices at the start of a tenancy; again, I would like to think that that is a common-sense step on which we can all agree and which we all welcome. There was further legislation in 2015 to improve safety, which we should also all welcome, and the Housing and Planning Act 2016 allows local authorities to impose civil penalties of up to £30,000 as an alternative to prosecution, which is another step forward. As the Chairman of the Communities and Local Government Committee has noted, banning orders will come into force as of April and a database of rogue landlords will also be introduced. Those are positive, concrete steps forward, and I would like to think that every Member welcomes them.

We must not, however, be complacent, which is why this Bill is so important. It continues the journey on which we have already embarked. I think that all of our constituents would like to see improved and better cross-party working on such fundamental challenges, which affect each and every one of us. I am pleased that we are in the position in which we find ourselves as a result of this Bill and the spirit in which the debate is being conducted.

As has been said, it is important that tenants have the confidence and support to enact the Bill’s provisions, should they need to do so. I hope the Minister will say something about that when she sums up. I would be particularly interested to hear about our engagement with Shelter, Citizens Advice and local authorities on how they can help support tenants to make best use of the provisions, should they come into force. I very much hope that they will come into force, and I am keen to do everything I can to help bring the Bill into law.

Finally, I want to make a couple of wider but related points. First, all of us see examples of best practice in our constituencies. It was interesting that the shadow Minister alluded to best practice in London, but how do we best share that best practice? There is no point having isolated best practice. If local authorities are doing it well, I do not really care about the political persuasion of any given council. Corby Borough Council in my constituency is a Labour council and we have a productive and sensible working relationship. I think my constituents expect that, but it also helps to get things done. I want us to better use the best practice identified around the country to help improve outcomes across the country. I think that when that can be achieved we should go after it, in all policy areas, and I should like to think that Ministers and the Local Government Association would help to disseminate that information.

Lyn Brown: May I extend an invitation to the hon. Gentleman to West Ham for coffee and cake, and to see the enforcement team in action?

Tom Pursglove: The hon. Lady is incredibly generous. It would be remiss of me not to accept such a kind invitation. It seems that we are to have quite the outing and quite the afternoon in West Ham, given that the Minister and my hon. Friend the Member for Telford (Lucy Allan) are lined up as well. I look forward to having a date in the diary; and I will definitely hold the hon. Lady to the “cake” part of the offer.

Most housing stock, especially in new towns, is of a similar age, whether it is in the private or the public rental sector, and that poses specific challenges. I think that we should develop a cross-party strategy that will make a fundamental replenishment of that stock possible.
in due course, because all the problems are likely to come to a head at the same time—but that is one for another day.

12.6 pm

Emma Dent Coad (Kensington) (Lab): From behind the crisp white façades of Kensington, and from neighbouring Chelsea, come tales of the most unimaginable squalor.

Some Members may know that my move into active local politics 12 years ago was propelled by a five-year legal battle with my housing association after a plaster ceiling collapsed—following many, many complaints—and missed my young daughter’s head by inches.

How can there be about 70 excess winter deaths a year in the “richest borough” when cold is a category 1 hazard? My office is currently asking constituents who report damp and mould about their health. So far—and this will come as no surprise to many Members—every one of them has reported asthma and other breathing problems. Two constituents whom I visited recently—one council and one housing association tenant—had to walk around nebulisers dispensing oxygen to show us the black mould. Their homes were 100% in danger.

Kensington and Chelsea Council is proud of its enforcement record, but, as we know, its work on housing is constrained by funding, staffing and legal restrictions. Since 2015, just 11 successful prosecutions for disrepair, poor management and lack of fire precautions have been reported. We should give credit where it is due, but that is the tip of the iceberg. It has been widely reported that some of the prosecutions have improved the external appearance of properties. Action taken against landlords who have not maintained their façades has improved visual aspects rather than living conditions: that is a theme.

In Kensington it is difficult to identify and pursue many negligent offshore landlords. We do not even know who they are, and they are the bane of our property market. As we have heard, the current legal framework is unwieldy, bureaucratic and time-consuming, and has no power over local authority landlords. My hon. Friend the Member for Westminster North (Ms Buck) has hit the proverbial nail on the head, which is a far better standard of workmanship than much that I have seen.

Kensington and Chelsea Council is better at keeping up appearances and sanitising poverty and squalor than it is at addressing it. As we know, the prime motivation behind the rainscreen cladding at Grenfell Tower was to improve visual appearance for the benefit of the conservation areas nearby. That was detailed in the planning application, and mentioned several times. We know what happens when bad landlords, including local authorities, get away with ignoring complaints. Grenfell is a stark reminder of what the current legal provisions can lead to: complaints are sidelined, ignored, ridiculed and, in the end, subject to “cease and desist” letters.

Time is up for bad landlords. Our homes are making our residents ill. They are responsible for early deaths, and sometimes even kill. My daughter survived her very frightening experience, but many do not. Some of my neighbours’ daughters did not survive. As a legacy—for the 71 victims of the Grenfell Tower fire, for the countless survivors and frightened neighbours, and for all those living in unhealthy homes—I support the Bill unreservedly.

12.9 pm

Will Quince (Colchester) (Con): It is a pleasure to follow the hon. Member for Kensington (Emma Dent Coad). I, too, support the Bill and commend the hon. Member for Westminster North (Ms Buck) for introducing it; I worked with her on the Homelessness Reduction Act 2017, alongside my hon. Friend the Member for Harrow East (Bob Blackman).

I pay tribute to Shelter. It has done a fantastic job campaigning on many of the issues we are talking about today, and the Bill receiving its Second Reading would be a testament to all its hard work in this area.

We have already seen action to help people get into properties—Help to Buy for those looking to own, and the Budget included help to rent—and this must now be extended to ensuring that people live in properties that are fit for purpose. The 2015-16 English housing survey found that almost 795,000 homes in the private rented sector and almost 245,000 in the social rented sector have a category 1 hazard. A category 1 hazard is defined in the housing health and safety rating system as: “a serious and immediate risk to a person’s health and safety.”

The phrase “health and safety” might cause a few eyes to roll, but we are talking here about some very serious things: asbestos, mould and damp, carbon monoxide and the products of fuel combustion. What if I said this represents 6% of properties in the social rented sector, or that it represents 17% of properties in the private rented sector? Let us just think about that for a moment. There is nearly a one in five chance that a property one of our constituents goes out and rents has a hazard considered a “serious and immediate risk”; this has to change.

The Bill’s key function is to provide a meaningful route for those living in properties that are not fit for purpose to get necessary repairs done. We are not seeking to disparaging about landlords; the overwhelming majority of them always try to do the right thing by their tenants and take swift action to resolve any faults or problems with their properties. If anything, the majority of them, who are tired and fed up with having their reputation trashed and tarnished by others in this sector who simply—excuse my language, Madam Deputy Speaker—don’t give a damn, want this Bill to pass.

At present, tenants are dependent on their local authority for action to be taken regarding property standards. This can be difficult enough when someone is renting accommodation from a private landlord, but what about when their landlord is their local authority? It is important to have a route open to tenants that ensures that local authorities do not have conflicting interests.

The Bill will give tenants the right to take their landlords to court where the property they inhabit is not fit for purpose. They will be able to apply for an injunction directly that will compel their landlords to carry out the necessary repairs or for compensation from their landlords for their failure to maintain the property. In the worst cases, tenants will be able to provide their own evidence to the judge, rather than, as
at present, having to rely on an environmental health officer or independent surveyor’s report. Local authorities can focus their resources on the very worst landlords.

There is always a reluctance about legislating in this area—a belief that this is a matter best left to be resolved between individual landlords and tenants—but let us be clear; this is not about the Government telling landlords what to do; it is about levelling the playing field. Nor does it introduce anything new. No new property standards are defined in the Bill. There is no additional regulation. We are simply making sure that existing standards are enforced.

The final point I want to make is to do with the tragedy at Grenfell Tower, which the hon. Member for Kensington rightly referenced. An inquiry is taking place, and I do not want to speculate about what it will find or who is to blame, but we have all heard the harrowing stories about the unsafe conditions, including fire doors that did not work, insufficient emergency lighting in stairwells and inadequate smoke ventilation. A number of those concerns had previously been raised by tenants, who felt that they were being ignored. We must never again have a situation in which genuine issues, particularly those relating to safety, are not tackled by landlords. When tenants feel unsafe, landlords have to take action. They must listen; no ifs, no buts.

That is what the Bill will do. It will empower tenants so that when they tell a landlord that the condition of their property is simply not good enough, the landlord must take notice and resolve the problem. This is not some kind of top-down diktat; it is bottom-up accountability. That is why I am pleased to support the hon. Member for Westminster North and her Bill on Second Reading. It is a welcome and necessary step towards ensuring that every tenant is given the basic right to live in a home that is fit for purpose. Our constituents deserve nothing less.

12.15 pm

Rosie Duffield (Canterbury) (Lab): This is such an important issue, and I congratulate my hon. Friend the Member for Westminster North (Ms Buck) on securing the debate and on all her tireless work on this issue over the past two years. I wish I could say that all homes in my constituency were fit for human habitation. I would love to be able to say that, but unfortunately I cannot. Sometimes, social housing provided for and on behalf of our local authority has the highest proliferation of category 1 hazards and other factors that put at risk people’s health and safety.

One example in Canterbury involves a lovely family who came to see me. They have three children and they found themselves homeless in November after their private landlord sold the property. Since then, they have been moved from pillar to post, from one unsuitable unhealthy property to the next. They have been moved five times in two months. How, in supposedly affluent Canterbury, in the supposedly affluent south-east, can there be so many places that are unfit for human habitation? One house provided to the family by the council was riddled with bedbugs crawling everywhere, and there was also a serious leak. The family’s mattresses and other belongings are now ruined, but they have yet to be compensated.

The family were then moved to a house that had been freshly painted to disguise a serious mould problem. Now, their children are exposed to mould and fungus growing inside their home. It is around their beds, their clothes and their toys. We all know that damp and mould can worsen conditions such as asthma, eczema and chest infections, and articles published in The BMJ show that adults living in mouldy homes are also more likely to have symptoms such as fainting, headaches, fevers and even raised anxiety. I wanted to tell the House about that family this morning because I am disgusted by the way they have been treated and housed. I have put a video of their accommodation on my social media. Please go and see it; I promise you will be horrified. Any council that places people in accommodation such as that should be ashamed.

Clive Lewis: I am saddened to hear about the way in which my hon. Friend’s constituents have been treated. Friend’s constituents have been treated by the local authority in Kent, but would she acknowledge that not all local authorities are the same? My own Labour-led Norwich City Council has 15,000 properties, and not one of them has a category 1 hazard. In the private sector, however, nearly 3,000 of the 14,000 homes have a category 1 hazard, and they charge two to three times as much rent.

Rosie Duffield: I absolutely acknowledge that. That is disgraceful.

Some of the providers in Kent are failing the public, but this is bigger than Kent; this is a national shame. As we have heard from the hon. Member for Taunton Deane (Rebecca Pow), local authorities cannot enforce the housing health and safety rating system—the HHRS—against themselves, and social tenants can often do very little about poor, unhealthy accommodation.

This Bill is important. It will prevent cases like the one I have described today and compel local authorities to carry out repairs, and I support it wholeheartedly. All social tenants and renters deserve accommodation that is safe. The old saying is that there is no place like home, but for many families in Britain that is true for all the wrong reasons. Let us change that today and make sure that all homes are fit for human habitation.

12.19 pm

Rebecca Pow (Taunton Deane) (Con): I commend the hon. Member for Westminster North (Ms Buck) for bringing in this important legislation for debate, and I know how much work she has done on this issue. I welcome the Minister—a former Whip—to her new position. I am a private landlord, so I refer the House to my entry in the register.

As we have heard today, everyone is entitled to a clean, safe and comfortable home. Indeed, one would have thought that that was a given, but the fact that we are discussing this legislation today illustrates that it clearly is not. Home really should be where the heart is, but there are long-standing concerns about property standards in both the social and private rented sectors. I have been made particularly aware of the issue not just through my work as an MP and my involvement in the Bill that became the Homelessness Reduction Act 2017, which was guided so well through the House by my hon. Friend the Member for Harrow East (Bob Blackman), but through supporting so many Adjournment debates,
which you probably sat through, Madam Deputy Speaker, with a former Housing Minister, the previous Member for Croydon Central, in which I heard so many harrowing cases of rogue landlords forcing people to live in squalor and making their lives hell. I am therefore pleased that the Bill will address some of those issues.

Catherine West: Given that the private rented sector is composed of a plethora of small landladies or landlords, such as the hon. Lady, does she accept that people can be good landlords? We need good landlords and landladies, but we need good legislation and good enforcement.

Rebecca Pow: I thank the hon. Lady. I will be touching on that later. It is important that we do not make private landlords—the good ones—feel that we are outlawing them. We need to help them, but we also need everyone to have good standards.

In England, the private rented sector currently houses more people than the social rented sector, and that is borne out in Taunton Deane. Last year, the English housing survey found that 40% of homes in the private rented sector had at least one indicator of poor housing.

Chris Ruane (Vale of Clwyd) (Lab): Will the hon. Lady give way?

Rebecca Pow: I am going to plough on, because I know that many colleagues want to speak.

The survey results show a pretty poor record and clearly demonstrate why the Bill is so necessary, and I am pleased to give it my support today. I am also pleased by the amount of cross-party work. When I talk to people back in my constituency, they ask, “Do you work with other parties? Are you always arguing?”, but we clearly do not argue about the many issues on which we can work together effectively, as we did on the 2017 Act. I have mentioned the private sector, but the problems are not confined to it. The social sector is important, too, and I do not need to remind people of the terrible Grenfell Tower fire, which brought the situation starkly under the microscope.

To give a few statistics about the scale of the problem, according to the 2015-16 English housing survey the number of properties with a category 1 hazard—things that pose a serious health risk, as my hon. Friend the Member for Colchester (Will Quince) so ably pointed out—is just over 200,000 in the social rented sector, but over 800,000 in the private rented sector. I reiterate that social tenants currently have no effective means of redress over poor conditions because local authorities cannot enforce the housing health and safety rating system against themselves. This Bill will provide social tenants with a much-needed tool to compel the local authority to carry out repairs.

In my time as the MP for Taunton Deane, I have dealt with quite a number of issues relating to rogue landlords, some of which were very serious. One person had no proper back door that they could close, because it had not been mended, so they felt unsafe. Other people had windows that they could not shut or heating that did not work. I am pleased to say that we have worked hard to solve lots of these issues.

Stamping out bad practice is essential, and the Bill sets improved standards by giving clear indicators to landlords. Above all, the Bill will empower tenants who, in the worst cases, will be able to provide their own evidence to a judge, such as photographs of the awful things that are happening in their property, without relying on an environmental health officer or an independent service, which can add extra expense and can be time-consuming. That will be a helpful element of the Bill.

The Bill will bring greater protections for the residents of Taunton Deane and for wider society, and it will make residents’ lives happier and, I hope, more comfortable. I strongly support the measures in the Bill, and I wish the hon. Member for Westminster North all the best in progressing it on its journey.
I am delighted that, at last, there is a likelihood of getting this Bill on the statute book. As the shadow Secretary of State said, this is not the first time such a Bill has been before the House. The predecessor Homes (Fitness for Human Habitation) Bill, which was also introduced by my hon. Friend the Member for Westminster North (Ms Buck), was talked out in 2015. I suppose we should thank the usual suspects for staying away today to allow this Bill a fair wind.

Two years ago, in January 2016, my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) moved a new clause to the Housing and Planning Bill with similar terms to create a duty on landlords to ensure that properties are fit for habitation when let, and remain fit for habitation during the tenancy. En passant, I note that all but one of the Conservative Members who have spoken today voted against that new clause, so we welcome their contributions today. The hon. Members for Telford (Lucy Allan), for Harrow East (Bob Blackman), for Thornbury and Yate (Luke Hall), for Berwick-upon-Tweed (Mrs Trevelyan), for Corby (Tom Pursglove), for Colchester (Will Quince) and for Taunton Deane (Rebecca Pow), and indeed the Minister, have all seen the light in the past two years.

Stephen Pound (Ealing North) (Lab): Like a sinner who repents.

Andy Slaughter: Indeed. I would hate ever to be churlish in the Chamber, and I raise these matters only to rejoice at lost sheep who have been found. They have spoken so well today.

I do not wish in any way to delay the passage of this Bill today, but I want to make one serious point. Paragraph 32 of the explanatory notes states:

“The Bill will not entail additional public expenditure, local authorities already have strong enforcement powers to tackle poor property. The aim of this bill is to enable tenants to pursue their landlord without recourse to their local authority.”

Many people have made the point that local authorities now lack the resources to do that, and that is part of the reason why we need to enable tenants themselves to do this, but these are often complex matters, legally and procedurally, to pursue. I ask the Minister to address that point specifically when she comes to speak.

In only two or three months’ time, we are due to have the long-awaited review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and I hope that part of it will look at whether legal aid can be extended to cover the provisions of this Bill. Indeed, I hope that we can go further than that, because, as has been established in review after review—in the Bach commission and the Low commission, and in what the Law Society, Shelter and Citizens Advice have said—the cuts in housing legal aid have been some of the most damaging. That applies to disrepair cases, where only “serious” disrepair is now eligible for legal aid. In fact, because the cuts are so substantial we often now have legal aid deserts as far as housing is concerned, and it simply is not possible, given how little is in scope, for private practitioners or law centres to offer the same degree of advice. That has to be looked at, and as part of that process we need to bring in the provisions of this Bill.

I always watch the Conservative party conference with great enthusiasm, so I noted that the Secretary of State said in his speech there that he was thinking of introducing a housing court as part of a simplification of the process for resolving housing issues. I do not know whether the Minister has any more to say about that, but we need a simple and straightforward process.

Chris Ruane: Is my hon. Friend aware that £22 billion is spent each year on housing benefit, with much of it going to slum landlords, who own houses in multiple occupation. A better solution would be to give part of the housing benefit bill to local councils to build properties on land that they own, so that—I hope hon. Members pardon the pun—we will have more bangs for our buck.

Andy Slaughter: I could not agree more, although I do not want to be tempted too far away from today’s subject. Clearly the switch from investing capital sums in building decent properties, which happened under parties of all colours for many years, towards subsidising landlords—in many cases, bad landlords—has to be reversed at some point; that was a deliberate ideological step taken by Conservative Governments and it has served us very badly. That is a more endemic and chronic problem. This Bill resolves the immediate crisis that we have, particularly in the private rented sector. I look forward to the Minister at least saying what the Government are intending to do to enable tenants to pursue their remedy properly.

Let me end, as so many other Members have, by saying that we would not be here at this point were it not for my hon. Friend the Member for Westminster North. She has championed this cause and this Bill over many, many years, and it is right that Members from both sides of the House have paid tribute to her today. I hope that we can now proceed to see this Bill become law.

12.33 pm

Eddie Hughes (Walsall North) (Con): It is a pleasure to follow the hon. Member for Hammersmith (Andy Slaughter), although I am not one of the lost sheep that he referred to, having been an MP for only seven months; I am just a keen, enthusiastic advocate for the Bill in its present form.

Before I turn to the Bill, I would be grateful, Madam Deputy Speaker, if you would convey to Mr Speaker my best wishes for his birthday. The Moonpig card, personally designed by me, that I ordered earlier this week has not arrived, so he will have to settle for just my verbal congratulations.

Stephen Pound: The hon. Gentleman clearly has an encyclopaedic knowledge of people’s birthdays, so it will not have escaped him that today it is also the birthday of the Speaker’s Chaplain, Rose Hudson-Wilkin. Will he join those from all parts of the House in wishing her the happiest of birthdays?

Eddie Hughes: I thank the hon. Gentleman for his wisdom—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Let us take this moment to wish the Speaker’s Chaplain and Mr Speaker a happy birthday.

Stephen Pound: Could we divide on that?
We had a 72-bed direct-access hostel in Northfield has 300 accommodation units for previously homeless tenants the ability to seek redress, should it be necessary. Maintain the property, and they should have some knowledge, but there are many other landlords who do not. It is not the tenants' fault if their landlord does not have sufficient experience to know how to maintain the property. As the chair of the board of a housing association with 20,000 homes, most of Walsall, although the group operates across 18 local authorities.

My personal perspective is that of an accidental landlord. When I married my wife and we bought a house together, she already had a house. She obviously did not have complete faith in the longevity of our relationship, so decided that it was appropriate for her to hang on to her house, just in case things did not turn out for the best, so we have a property that we rent out.

People often inherit a property, but they do not inherit with it any understanding of building or safety regulations, or the knowledge to enable them to keep the property in good condition while they rent it out. Indeed, I think the ridiculous statistic is that something like 95% of landlords in this country have only one property. How do they get the knowledge they need to ensure that they maintain their property appropriately? As the chair of the board of a housing association with some professional experience, I feel that I personally have the knowledge, but there are many other landlords who do not. It is not the tenants' fault if their landlord does not have sufficient experience to know how to maintain the property, and they should have some means of redress through the law. That is why, as a landlord myself, I am delighted that the Bill will afford tenants the ability to seek redress, should it be necessary.

As I said, immediately before I was elected, I was the assistant chief executive of YMCA Birmingham which has 300 accommodation units for previously homeless young people, some of whom lead chaotic lives, to say the least. We had a 72-bed direct-access hostel in Northfield that was definitely the ugly sister of our portfolio. I was delighted that, just before I left the YMCA, the Homes and Communities Agency awarded us £800,000 to install some en-suite accommodation, training facilities and better cooking facilities on the ground floor of the hostel. The existing accommodation was passable and clearly legally compliant, but for someone coming straight out of prison or off the street—

Martin Whitfield: Is it not right that the Bill will greatly improve safety for the large number of children who reside in unfit habitation, and help to narrow the educational and health gaps—a priority for any good life?

Eddie Hughes: I completely endorse the hon. Gentleman's comments. The YMCA took people from 16 years of age—sometimes previously looked-after children—and it was incredibly important that the accommodation was of the highest standard. I am grateful to the HCA for giving the YMCA the money to do that.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the hon. Gentleman also accept that a safe and secure environment should mean having carbon monoxide detectors in accommodation, for which he and I have campaigned for many months? It is a high priority that people not die from that silent killer.
further action. It is possible to be a completely diligent landlord, and still be unable to maintain a property to the expected standard.

I know, then, from my broad range of experience that landlords often do their best to maintain a property in a fit and proper state, but sometimes that is not the case, and when it is not the case, we need legislation that protects tenants. Tenant safety is a very high priority for this Government, as we have seen in the work carried out since Grenfell, and we will continue to deliver on that. For my part, in all the various guises of my landlord responsibilities, I will continue to discharge my duties as well.

12.43 pm

Matt Rodda (Reading East) (Lab): I wholeheartedly endorse and support the Bill. Along with the financial strains placed on my constituents by the ever-rising cost of living, coupled with the wage stagnation that many of them have suffered, Reading has some serious and substantial problems with poor-quality private accommodation.

Although the council has been robust in tackling rogue landlords, much more clearly needs to be done. I wish briefly to run through some of the issues that we have in our area. Reading Borough Council has on a number of occasions taken legal action against unscrupulous landlords who have allowed their properties to decline as a result of poor safety and environmental health concerns. Such action has resulted in considerable financial penalties and in conditions being imposed through the court system.

It is unfortunate that there are some landlords whose properties do not meet the standards that every tenant has the right to expect. Nobody should have to live in a property that has mouldy walls, faulty electrical sockets, holes in the ceiling, open drains or cockroach infestation, yet in recent years we have seen these issues in a relatively wealthy town in the south-east of England, which is something that I find deeply disturbing and, indeed, shocking.

There has also been a significant ramping up of the price of rented properties, while the standards for many renters have, sadly, declined at an alarming rate. The impact of living in such squalor is not only a financial one, as we have already heard from other Members. There have been instances in my area of local people having to visit their family doctor, or even go to A&E, with illnesses that are quite clearly born out of the unsavoury conditions in which they are having to live. I should point out that the scale of this issue is interesting given the relative wealth of the town that I represent. Currently, 28% of Reading’s housing stock is privately rented—that indicates the size in many of our small to medium-sized towns across the country. The town’s population has grown at a rapid rate, but the infrastructure is not able to support that. That includes the lack of supply of affordable housing. With demand outstripping supply, there has been a profusion of flats, bed-sits and studios for rent appearing across the town, often at exorbitant prices. I should add that Reading Borough Council did have a plan to build 1,000 new council houses, but, sadly, in the summer 2015 Budget, the plan was stopped.

Ms Harriet Harman (Camberwell and Peckham) (Lab): My hon. Friend mentioned the issue of healthy accommodation. Does he agree that, actually, poor-quality rented, unhealthy accommodation is not only terrible for those living in it, but a drain on the NHS? I have heard of a number of cases where, perhaps, an elderly person is needing to be discharged from hospital, or a premature baby to be brought back home for the first time, but they are not able to be discharged from hospital because the home to which they are returning is not safe.

Matt Rodda: I thank my right hon. and learned Friend for her contribution. It is a very sad, but salient, point that this is indeed happening and putting unwanted pressure on our NHS at a time of great strain on the service and, indeed, when the Government have had to cancel many non-urgent operations during this winter crisis. In fact, she has brought up many points that I wished to make, so, for the sake of brevity and allowing other hon. Members to speak, I will conclude my remarks by thanking her and saying that I appreciate the all-party support for this Bill and the initiative and determination of my hon. Friend the Member for Westminster North (Ms Buck) in bringing it forward.

12.47 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): I rise briefly to welcome this Bill and to congratulate the hon. Member for Westminster North (Ms Buck) on bringing it forward. We all need a good home. It brings us stability and a place of family and of safety. As has been said today, we recognise that the vast majority of landlords are providing safe, secure and nice accommodation for people to live in, but it is unacceptable that, for some, that is not the case.

As a doctor, I wish briefly to highlight the medical and health implications of poor housing conditions. The hazards of having things such as faulty wiring or faulty boilers are very obvious, but living in a cold or damp home has significant effects on health, particularly for the elderly and young children. Things such as eczema, depression, asthma and all sorts of respiratory conditions are made significantly worse if someone lives in a home that is cold or damp.

As has been mentioned, this is costing the NHS around £1.4 billion a year, but it is not just costing the NHS—it is also costing those individuals who are suffering. We need to recognise the effect on the individual as well. Like me, many doctors have, over time, written to authorities to highlight the fact that people are not being discharged from hospital because their home conditions are not satisfactory. That is a particular issue for pre-term babies, who may be on oxygen. It is clear that we have an obligation to make this change. We must remember that children suffering from ill health do not sleep very well. When they do not sleep well, they attend school tired and perform less well, so they are less able to pull themselves out of the poverty trap in which they have found themselves. We have a clear moral obligation to ensure that people have safe homes that are healthy for them.

Mr Sheerman: Is the hon. Lady worried, as I am, that not only do we have homes that are not really fit for human habitation, especially for families with children,
but that we often do not know where those children are? With the growth of home schooling—look at what happened in California, news of which has emerged in the past week—there are some very serious problems confronting society.

Dr Johnson: I agree with the hon. Gentleman that it is extremely important that we make sure that all children live in safe and secure homes. The Bill brings a welcome ability for people to have individual redress against their landlords, and takes away the conflict of interest from local authorities, which would effectively have been asked to enforce themselves. We are putting this provision into law to ensure that people have this ability and are empowered. It is important for the Government to ensure that people know that the Bill has been passed and that they have this right, and that they have access to the advice and legal representation they need to be able to enforce that right. I welcome the Bill.

12.51 pm

Kevin Foster (Torbay) (Con): It is a pleasure to be called to speak on this Bill. In fact, it is a pleasure to be able to speak on it; before the reshuffle, I would have had to sit where my hon. Friend the Member for Croydon South (Chris Philp) is currently sat. As the former Parliamentary Private Secretary to the former Housing Minister, my hon. Friend the Member for Reading West (Alok Sharma), I know how hard the hon. Member for Westminster North (Ms Buck) worked to reach agreement and come forward with a Bill that would genuinely make a difference. To be fair to her as an Opposition Member, she resisted the urge to make points because she actually wanted to make progress and to deliver for those she represents and serves well in this House.

I welcome my long-standing friend, the Minister, to her place. She probably remembers when we slogged our way across parts of Chelmsmore and Whitley together, delivering her election literature about 13 or 14 years ago. I think I first met her 18 years ago, when I was also helping to put out some literature for her. It was lovely to have her at my and Hazel’s wedding last year. It is great to see her in her place, and to know that she will be following me to respond to the debate.

For those who know that I can speak for a while on a Friday, I have absolutely no intention of attempting to talk the Bill out. I will set out why the Bill is needed, its benefits, why it is a proportionate approach and what I hope its impact will be. Many hon. Members have made their points about why the Bill is needed. I was particularly struck by the figures from the 2015-17 English housing survey quoted in the Library briefing note. The research mentioned that the private rented sector had the highest proportion of properties with at least one indicator of poor housing standards, at 40%. In fairness, the level of non-decent homes in the private rental sector declined from 47% to 30% between 2006 and 2013, but the figures still indicate the need for this type of legislation.

The hon. Member for Sheffield South East (Mr Betts), who is sadly not currently in his place, referred to the housing health and safety rating system, which—I think it is safe to say—is far from perfect. The system is risk-based, and it is hard to see many tenants being able really to grasp what it means and what the balances are.

As was rightly pointed out by my hon. Friend the Member for Taunton Deane (Rebecca Pow) and the hon. Member for Ipswich (Sandy Martin), councils cannot enforce against themselves. If a tenant in a council house is concerned about their landlord, where do they go? They go and talk to their landlord about the poor condition of the property. Introducing this civil remedy makes it possible for a tenant to enforce a legal right against their landlord, which is welcome. It would be bizarre if we said that those looking for social care provided by the local authority could not challenge it legally because the care was provided by the local authority. It is right that we bring in this measure. I welcome the fact that it can sit alongside other areas.

With regard to the housing standards in parts of my constituency such as Melville Hill, Nick Burleigh is a gentleman I probably do not agree with a lot on politics, but in this case we have had similar concerns about the standards of rental accommodation. My hon. Friends the Members for Telford (Lucy Allan) and for Corby (Tom Pursglove) referred to the standards of a type of property in new towns that was innovative 60 years ago and now is anything but. In Paignton, we have Victorian properties that were once grand villas—big places that were used in the summer by aristocratic families—but have now been split into multiple units that are not of particularly good quality, may have a very high turnover of tenants, and are sometimes rented to those who can rent nowhere else. One or two of the photos that Nick has shared on his “We love Melville Hill” website look like something one would expect of the Dickensian era. That is why it is right that we provide this further ability to enforce standards. This is a modern piece of legislation that is grounded in the 21st-century housing market, not just an attempt to revive a piece of Victorian legislation passed in an era when housing standards were very different. It sets a clear standard, brings forward a clear remedy, and makes it possible for a tenant to take action.

Is the Bill proportionate to needs? Many Members have made very clear the problems that poor housing can bring. I certainly see that in some of my own advice surgeries. This should bring absolutely no fear to the vast majority of landlords who provide decent accommodation at reasonable prices. For anyone sitting at home thinking, “But I try to do a good job, and I keep my property in good condition”, this debate is completely irrelevant. The person who does need to be concerned is someone who never picks up the phone to their tenant when there is a complaint, who has just about avoided prosecution by the council a couple of times, and who knows, bluntly, that the property they rent out is not somewhere they would even think of living themselves. Those are the sorts of people who should be listening in.

It is right that this Bill makes progress alongside the inevitable review of the main regulations that we will be having following the incident at Grenfell. It was a pleasure to work on some of that in what was then the Department for Communities and Local Government. As we make progress with the remedy that the Bill gives, we can have a debate about the exact process we go through.

On selective licensing, I support that in some parts of my constituency, but it cannot be applied everywhere. It would not make sense to apply it in my coastal areas.
This Bill applying everywhere deals with properties that have an issue. I welcome the fact that licensing was approved to continue in Newham. It is right that local authorities are able to look at whether it is right for their areas and their communities. In parts of Torbay, it would be right to have it.

We need to make it very clear to local authorities—I hope that the Minister will be clear in her response—that this is not about replacing the system of prosecuting those who do not make repairs they have been required to make. It is not a replacement for the criminal law. It cannot be used as an excuse for not prosecuting people. It is an additional right and power on top of what local authorities should be doing. In my intervention on my hon. Friend the Member for Telford, I said that the increased level of civil penalty that councils can now apply has prompted Torbay to appoint someone extra to its housing standards team to be able to increase its enforcement, on the basis that, when it does so, it can apply appropriate penalties. This is, in effect, rogue landlords paying for enforcement against themselves—something I think we would all welcome.

I hope that the Minister will dwell slightly on how she sees the ability to bring this process to court. What discussions will she be having with the Secretary of State for Justice about how it can be taken through? Will it be on the small claims track? How can we make sure that the process is simple and easy to do? How will that be communicated? We do not want a right that sits or because of the inability or failure of local authorities or on their tenants who suffer because of poor conditions good landlords and proactive, responsible local authorities, go unchecked would not be fair on the large majority of account. The alternative of allowing these practices to and to empower all tenants to hold their landlord to proactively to ensure that properties are free from hazards these landlords and to disrupt their business model.

Overall, the Bill is very welcome, and the tone of this debate has also been extremely welcome. This is exactly what a sitting Friday should be about: we are taking a problem that Members have identified from casework in their constituencies, and plugging a hole in the law and fixing the problem. The Bill will be of benefit to the residents of Torbay, and it will certainly be of benefit in areas that have more acute housing pressures and problems than, thankfully, is the case in Torbay.

The Bill is proportionate in what it sets out to do. As I have said, there will be those listening who will ask whether it is something that landlords should fear. No, it is not, as is made clear by the support of the main landlords associations. The only people who have anything to worry about are those who do not maintain their properties to the standards that tenants deserve.

1 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): I, too, wish a happy birthday to Mr Speaker, and to Rose Hudson-Wilkin.

I congratulate the hon. Member for Westminster North (Ms Buck) on her success in the private Members’ Bill ballot, on bringing attention to the important issue of property standards in the rented housing market and, indeed, on her huge amount of work and interest in this area. I refer hon. Members to my entry in the register of ministerial interests.

Everyone deserves a decent and safe place to live, regardless of their tenure. Most properties in the private and social rented sectors are of a good standard and do not contain potentially dangerous hazards. However, according to the English housing survey, 17% of private rented properties and 6% of social rented properties contain at least one hazard that constitutes a serious risk of harm to the health and safety of an occupier. As we have heard from Members on both sides of the Chamber, these percentages equate to 795,000 homes in the private sector and 224,000 homes in the social sector. While there is a large range of potential hazards, in practice, as we know from English housing survey data, the vast majority of hazards that occur are associated with slips, trips and falls, as well as with excess cold and issues such as fire risk, damp and poor sanitation.

The Bill fits well with the work the Government have already done to improve standards in the private rented sector. That sector is an important part of our housing market, housing 4.3 million households in England. The quality of privately rented housing has improved rapidly over the past decade, with 82% of private renters satisfied with their accommodation and staying in their homes for an average of 4.3 years. The Government want to support good landlords who provide decent, well maintained homes, and to avoid putting further regulation on them that increases costs and red tape for landlords and also pushes up rents and reduces choice. However, a small number of rogue or criminal landlords knowingly rent out unsafe and substandard accommodation. We are determined to crack down on these landlords and to disrupt their business model. There is a need to act now to require landlords proactively to ensure that properties are free from hazards and to empower all tenants to hold their landlord to account. The alternative of allowing these practices to go unchecked would not be fair on the large majority of good landlords and proactive, responsible local authorities, or on their tenants who suffer because of poor conditions or because of the inability or failure of local authorities to act.

Clive Efford (Eltham) (Lab): Will the Minister give way?

Mrs Wheeler: I will not give way, if the hon. Gentleman does not mind, because some very important business is coming up after this debate.

The Government are committed to providing tenants with alternative means of redress, strengthening tenants’ rights and protecting renters against poor practice. The Bill aligns with and supports broader proposals to improve consumer experience across the housing sector. Furthermore, enabling tenants to take direct action themselves will help to free up local authorities’ resources to tackle better the criminal landlords who rent out hazardous and unsafe dwellings.

Bob Blackman: Will the Minister give way?

Mrs Wheeler: I will not give way, if my hon. Friend does not mind, but I will refer to him in a moment.

We have already published guidance for tenants to help them to understand their rights and responsibilities and what to do if something goes wrong. This should satisfy my hon. Friend the Member for Harrow East (Bob Blackman), who has concerns about retaliatory action. That was perfect timing. We have also published guidance for tenants to help them to ensure that their home
is free of potentially dangerous hazards. Revised versions of these guidance documents will be published shortly, alongside guidance for landlords about their responsibilities.

To respond to Members’ questions about legal aid, the procedure in the Bill is designed to be straightforward and tenants will frequently be able to represent themselves, but for more complex cases, legal aid will be available, subject to income criteria. We do not expect this to be necessary in the majority of cases, as most tenants will be able to identify an obvious hazard without the need for a solicitor. However, I repeat that legal aid will be available in cases where the tenant is eligible.

Other Members raised issues of local authority funding. We have given local authorities the power to impose civil penalties of up to £30,000 for housing offences. Councils will be able to keep that money and reuse it for housing enforcement purposes, exactly as we have heard. Very proactive councils are taking on staff to deal with that because they know—sadly—that the money will come in. My right hon. Friend the Secretary of State for Housing, Communities and Local Government has already announced the Government’s support for this Bill, which is fully in line with the thoughts and desires of our Prime Minister.

Mr Betts: Will the Minister give way?

Mrs Wheeler: No. Sadly, I am about to finish because a very important Bill follows this one. I met the hon. Member for Westminster North yesterday, and she has also had productive meetings with the previous Housing Minister, my hon. Friend the Member for Reading West (Alok Sharma), and my officials. I thank them, and all stakeholders involved, for their work so far. I have every confidence that this Bill will continue into Committee.

We also heard a wonderful speech from my hon. Friend the Member for Walsall North (Eddie Hughes), and I thank him for raising awareness of the dangers of carbon monoxide poisoning. We share a common goal in wanting people to be safe in their homes. The Government and their agencies continue to work to reduce the risk of carbon monoxide poisoning, and that includes a role for regulation where it is sensible and proportionate to do so. We already have powers to extend further the requirements for carbon monoxide alarms, but we need an updated and stronger evidence base to inform properly the case for new regulation. I was pleased to hear from my hon. Friend the Minister for Housing that we can agree to work together and take this matter forward.

This is an excellent Bill. Again, I congratulate the hon. Member for Westminster North on her huge amount of work. I congratulate all the 27 speakers. They include my hon. Friends the Members for Telford (Lucy Allan), for Cheltenham (Alex Chalk), for Eddisbury (Antoinette Sandbach), for Torbay (Kevin Foster), for Harrow East, for Mid Worcestershire (Nigel Huddleston), for Thornbury and Yate (Luke Hall), for Wells (James Heappey), for Corby (Tom Pursglove), for Colchester (Will Quince), for Taunton Deane (Rebecca Pow), for Berwick-upon-Tweed (Mrs Trevelyan), for Walsall North, for Sleaford and North Hykeham (Dr Johnson), the right hon. Members for Kingston and Surbiton (Sir Edward Davey) and for Wentworth and Dearne (John Healey), and the hon. Members for Hammersmith (Andy Slaughter), for Brighton, Kemptown (Lloyd Russell-Moyle), for West Ham (Lyn Brown), for Sheffield South East (Mr Betts), for Ealing Central and Acton (Dr Huq), for Warwick and Leamington (Matt Western), for Ipswich (Sandy Martin), for Kensington (Emma Dent Coad), for Canterbury (Rosie Duffield), and for Reading East (Matt Rodda).

This has been a superb debate on all sides, and it is what the Chamber does best on a Friday.

1.7 pm

Ms Buck: I rise only to thank the Minister on her first outing at the Dispatch Box for her support, and I also thank the many speakers from across the House—she listed them so I will not do so again—who made important contributions to the debate. They supported the Bill, and also reminded us through a number of examples from their casework just why it is needed. This has been a consensual debate—it is almost overwhelming—and I am grateful for that. Members also raised a number of issues that we must keep in mind about advice, legal aid, overall investment in housing and other ways that we can strengthen the rights of tenants. Normal service will be resumed on all those issues by me and many others. This important Bill has been a long time coming and I am delighted that we are now able to take it forward, with Government support. I look forward to seeing it proceed.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).
Stalking Protection Bill

Second Reading

1.9 pm

Dr Sarah Wollaston (Totnes) (Con): I beg to move, That the Bill be now read a Second time.

Stalking is an insidious form of harassment, characterised by fixation and obsession. The relentless nature of the unwanted contact from perpetrators, which sometimes continues for many years, can make it feel completely inescapable. It is often directed not only at the intended victim, but at all those around them—their family, friends, neighbours and colleagues. It can seriously affect both the physical and the mental health of victims, leaving them feeling isolated and fearful. It can also escalate, as we know, to murder and rape. It is much more common than many people realise. About one in five women and one in 10 men will experience some kind of stalking behaviour in their adult lifetime, according to the crime survey for England and Wales. However, it typically takes about 100 episodes of stalking for victims to come forward.

It is an honour to promote this private Member’s Bill for better and earlier protection for victims of these terrible crimes. I want to start by paying tribute to the very many individuals and organisations that have come forward to support this Bill and to advise. Many of them have spoken with great courage about the devastating personal consequences for themselves, including, I am sorry to say, personal, tragic loss. It is with all of those individuals in mind that I promote this Bill. I am also very grateful to the Minister for her personal support; to her team for the support and advice they have given me; and to Members across the House for their support and advice on the needs of victims.

In order to make progress with this Bill, we should acknowledge the progress that has already been made. Two new stalking offences were brought forward in 2012, and it is encouraging that 959 prosecutions were commenced in 2016-17. Progress was also made in increasing the maximum sentence to 10 years in the Policing and Crime Act 2017. I pay special tribute to my hon. Friend the Member for Cheltenham (Alex Chalk) for his work in bringing that about.

There remains in the law, however, a serious gap when it comes to victims of what is known as stranger stalking, by which I mean those who are stalked by someone who is not a former or current intimate partner. Those victims of stalking do not have recourse to the protections available under the existing protection order regime. That is well recognised, which is why I think there is widespread support for the Bill. If we can step in at an earlier stage, perhaps we will have a better opportunity to prevent stalking before the behaviour can become so deeply engrained.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I congratulate the hon. Lady on her Bill. I was on the anti-stalking commission, which made progress when we were trying to catch up with the Scottish law. Unfortunately, the issue is switching from personal to online, and the law finds it very difficult when someone is being stalked from elsewhere in the world.

Dr Wollaston: The Bill specifically notes that acts carried out from outside this country will also be taken into account, particularly with regard to online stalking. The hon. Gentleman is absolutely right and I thank him for making that point.

Although the proposed stalking protection orders would be civil orders, there would be a criminal penalty for breach. They are not intended to replace a prosecution for stalking where the criminal threshold has been met, but we all recognise that it can take time to fully gather the evidence and present a case for court, and during that time victims can be especially vulnerable. They are intended to act not only in those types of cases, but perhaps where the criminal threshold has not been met but it is recognised that the acts are at risk of escalating. Importantly, the Bill allows for the onus to be taken off the victim, because the police will be able to apply for the protection orders on their behalf.

It is also important that the penalties for criminal breach have real teeth, with a maximum sentence of up to five years. The civil protection orders will allow us to put in place a bespoke regime of not only prohibitions but requirements on the perpetrators, setting out very clearly what they must not do—in other words, stop contacting not only the victim but those around them—and setting out the ways in which that might take place. In some cases, perpetrators are not well, so the Bill will also allow the court to set a requirement that they attend a mental health assessment. There is also a notification requirement; perpetrators would have to give notification of all the names and aliases that they used in order to stalk their victims, and their address. None of those important protections will be of any benefit, however, if the police do not know about them and do not have the required training, expertise and willingness to exercise them.

Another purpose of a private Member’s Bill such as this is to explore the issues throughout the criminal justice system to ensure that everyone takes them seriously. Stalking should not be trivialised by references to someone’s having an “admirer”; there is nothing romantic about it. It is also important to recognise patterns of behaviour. Each individual action may in itself appear trivial, but the pattern should be viewed in its entirety. I know that the Minister is personally committed to acting on the findings in “Living in fear”, a joint report from Her Majesty’s Crown Prosecution Service inspectorate and Her Majesty’s inspectorate of constabulary on the police response to harassment and stalking, and I hope that she will comment further on it. We need to improve the entire system of that response, and I am grateful to her for her personal commitment.

Rebecca Pow (Taunton Deane) (Con): My hon. Friend is making a powerful case. She may have heard Emily Maitlis talking on the radio this morning about how she was stalked for 20 years. She said that she felt that the current legislation was not fit for purpose, and did not provide her with any protection. Does the Bill not seek to address that?

Dr Wollaston: Absolutely, and I pay tribute to Emily Maitlis for her courage. Anyone who reads her personal victim impact statement will see that not only the person being stalked but that person’s entire family is affected. She has been exceptionally courageous in coming forward.
to talk about her experience and in raising awareness. It is also true that stalking does not just affect people who are in the public eye; it can affect anyone, and sometimes after a relatively trivial contact. Victims are often made to feel responsible, or guilty. We have to break that cycle, and take the issue seriously.

I will cut short my remarks now, because I know that many other Members wish to speak. I thank all colleagues for their support for the Bill.

1.17 pm

Sarah Champion (Rotherham) (Lab): I thank the hon. Member for Totnes (Dr Wollaston) for presenting this important and timely Bill.

Let me begin by quoting a victim of stalking whose words were highlighted in last year’s “Living in fear” report, which was mentioned by the hon. Lady:

“You carry it all the time...it’s with you day in day out. Day in day out…it’s in the back of your mind all the time, ‘What is he going to do? What are we going to find...Who’s going to come knocking at our door?’”

Imagine how that feels. Imagine feeling too scared to go out to get a pint of milk or walk your dog. Imagine feeling so scared that you have to move house.

When a celebrity is being stalked, we take notice, but this offence is happening every day to so many people. The 2016 Crime Survey for England and Wales showed that one in five women and one in ten men had experienced stalking since the age of 16. That means that millions of people have to deal with the terrifying consequences of stalking. Statistics show that 80% of victims are female and 70% of perpetrators are male. Apart from the horrendous psychological trauma of stalking itself, it often leads to horrific crimes, including domestic violence, sexual assault and murder. According to a study of more than 350 femicides, cited by the Suzy Lamplugh Trust:

“Stalking behaviours were present in 94% of the cases”.

In too many cases, there is not enough evidence for police to make an arrest before it is too late. The stalking protection orders proposed in the Bill would be an important early intervention tool for police officers while a criminal investigation was ongoing. That early intervention that could literally mean the difference between life and death. The orders are designed for use particularly in cases in which stalking occurs outside the context of domestic abuse, but it is important to reiterate that the links between stalking and domestic abuse are clear. The Metropolitan Police Service found that 40% of victims of domestic homicide had been stalked. Stalking occurs in isolation or as a component of a much wider profile of abuse. High-severity stalking and harassment can include threats to kill. Research has showed that one in two—50%—of domestic stalkers will act on that threat. It is therefore crucial that the police, the criminal justice system and other agencies involved receive comprehensive training on domestic abuse and coercive control and that the focus of the new protection order is not on stalking alone.

Stalking does not have to lead to physical violence to be incredibly harmful. In a case study from the “Living in fear” report, Elaine became aware of seven websites that were created about her containing malicious content, including pictures of her and details of her personal life which were then shared with her children and employers. When Elaine initially contacted the police, she felt that they were not interested. They advised Elaine that there was not enough evidence to arrest the person as there was no direct threat. It took 12 months of monitoring the posts before the person was arrested. Understandably, Elaine was scared to go out of the house. She had to change to a lower-paid job where she would have some anonymity. Her children had to move schools and she has suffered with anxiety.

A stalking protection order would have given the police an option for an early intervention that would have protected Elaine while the investigation was ongoing. Like Elaine, many victims report being unsatisfied with the police response to stalking.

Nigel Huddleston (Mid Worcestershire) (Con): The hon. Lady is making an important point, particularly about internet stalking. In terms of the SP0s, does she agree that some kind of internet tracking capability must be included, as so much of this activity now takes place online?

Sarah Champion: I agree, and that is the case for many crimes now, but unfortunately the police do not have the resources to train up their staff, and that is something we all need to address.

New guidance to the police is required under this Bill. I have no doubt that the police want to improve their response, but to do that they need the appropriate resources, powers and training. This Bill will begin that process by providing police with an important protection and prevention tool, but the recent debacle surrounding the John Worboys case shows that, as a country, we need to do much more to support victims.

We have heard today that stalking can be one of the most psychologically destructive crimes. Victims of stalking often feel so threatened that they change the way they live, and, like Elaine, 50% of victims have curtailed or stopped work due to stalking. Last year Chloe Hopkins bravely spoke out about the depression, bulimia, post-traumatic stress disorder and even suicide attempt that followed the seven years of stalking that she endured. The forthcoming domestic violence Bill will be an opportunity for the Government to carry out a review of victim support services, and I hope that victims of stalking will be included in that.

1.22 pm

Alex Chalk (Cheltenham) (Con): It is a great pleasure to follow the hon. Member for Rotherham (Sarah Champion), who made some powerful points.

I am delighted to support this Bill, which represents a key piece of the jigsaw in terms of how we ought to approach the scourge of stalking. I thank my hon. Friend the Member for Totnes (Dr Wollaston) for her efforts, determination and leadership on this important issue.

The issue is very close to my heart, and I was grateful for the opportunity, together with my hon. Friend the Member for Gloucester (Richard Graham) and Members across this House and in the other place, to play a part in addressing the problem of inadequate sentencing. But if sentencing is principally about protecting victims...
after stalking has spiralled out of control, the SPOs are about arming the courts with tools to address this behaviour beforehand; they are about prevention as well as protection.

Before examining the SPOs in detail, I want to say a little about the context. Attitudes have changed. Gone—or almost gone—are the days when this was thought of as a bit of a joke or just a case of overly enthusiastic romantic advances. Lest we forget, the crime of stalking did not exist until 2012, and it is only thanks to the bravery of so many people—usually, but not exclusively, women—that we have been educated on this shocking phenomenon. We now increasingly appreciate that stalking is a horrible, violating crime that rips relationships apart and shatters lives. Inevitably, it is the cases involving women—that we have been educated on this shocking very of so many people—usually, but not exclusively, women—that have we been educated on this shocking phenomenon. We now increasingly appreciate that stalking is a horrible, violating crime that rips relationships apart and shatters lives. Inevitably, it is the cases involving celebrities that hit the headlines, but it is important to emphasise that this phenomenon is no respecter of fame or fortune. It is far more indiscriminate than that, and anyone can be a victim. I want to mention two examples, if I may.

Dr Eleanor Aston was a constituent of mine. I say “was” because she has now left the United Kingdom. She was a successful and popular GP, as Gloucester Crown Court was later to hear, and she was stalked over a nine-year period. This bears out the point made by my hon. Friend the Member for Taunton Deane (Rebecca Pow) that these incidents often last for many years. Dr Aston was stalked by a patient who first attended her surgery in 2007. As is often the case in this type of offending, it began innocuously enough. A few cards progressed on to inappropriate messages, then messages started to be left on her car windscreen. It then became more serious, with the stalker attending the surgery more than 100 times. He vandalised it and posted foul items through the letterbox, and then began to attend her home. He attended a children’s party that her daughter was at, and her water supply was even interfered with. The situation escalated to the point that the police advised her to change her name and address, and even come off the General Medical Council register. She was off work for many months and was later diagnosed, perhaps unsurprisingly, with post-traumatic stress disorder. The stalker spent some time in prison, but when he was released she received two packages: one contained standard abusive material; the other simply said, “Guess who’s back.”

The second case relates to the 20-year-old hairdresser, Hollie Gazzard, who was murdered in 2014 by an ex-partner. The point was ably made by the hon. Member for Rotherham (Sarah Champion) that stalking is all too often a gateway offence—if I can use that expression—leading to something even more serious. Indeed, some particularly powerful individuals have referred to it as murder in slow motion. Out of the tragedy of Hollie Gazzard’s death, her inspirational family—her parents Nick and Mandy and her sister Chloe—have set up the Hollie Gazzard Trust in Gloucestershire to improve protection for the victims of stalking in Gloucestershire and beyond. I am grateful to the mayor of Cheltenham for including the trust as one of her charities.

Those are just two examples of ordinary people from just one county, Gloucestershire, so it is no surprise that research carried out by the Suzy Lamplugh Trust in 2017 showed that a staggeringly high proportion of homicides against women were preceded by behaviour that could properly be characterised as stalking. In that context, the stalking protection orders set out in the Bill will provide a powerful tool to be used while a stalking investigation is ongoing. They will give the magistrates courts a larger and better equipped toolbox with which to tackle such behaviour at an early stage and to protect victims. An order will be able to prohibit acts associated with stalking or require an individual to “do anything described in the order.”

That can be used to impose positive obligations, which is an important difference. Ordinary bail conditions can say, “You must not go within a hundred yards of that address” or “You must attend court on such and such an occasion”, but this order could impose positive obligations, including an obligation to attend drugs or alcohol programmes. As we have already heard, the orders will have criminal sanctions. In plain English, if you do not comply, you will get locked up.

That is all welcome, but if I may, I will add a couple of notes of caution. First, it would really help if, as part of the positive obligations, the court could require an individual to undergo psychiatric evaluation. One of the things that makes victims’ testimony even more disarmingly powerful is that they often show a measure of compassion towards the people who have tormented them to their wits’ end, and even sometimes close to the point of suicide. They recognise that they are often struggling with their own mental health problems. It would be helpful if the courts could have, in the toolbox that I mentioned, the power to compel individuals to undergo psychiatric evaluation.

The second issue is that, if the SPOs are going to work, they will have to be deployed quickly. If there is too much delay, there is a risk of the behaviour becoming entrenched and therefore far more difficult to address. Why do I say that? Because my experience as a prosecutor in court, prosecuting offences of this nature and speaking to witnesses and victims, tells me that committed, entrenched stalkers show themselves unwilling to comply with orders of the court, or even incapable of so doing, even though that might lead to imprisonment. Very often, by the time someone gets to the long process of prosecution, the stalker will have ignored the police officer who told them to stop, and they will have ignored the harassment warning and the bail conditions that ordered them to stop. If a solution is to work, the problem needs to get nipped in the bud early, which will require police officers to take matters seriously. I am grateful for the fact that a huge amount of work has been done in Gloucestershire to ensure that police officers have the tools they need to recognise stalking and to act on it expeditiously, which is vital.

Orders must be imposed early, and before the inevitable delays that come from investigation, charge and trial. Conscientious and attentive police officers will be vital to the process, and changes could be made to allow individuals to play a greater role in gathering evidence and reporting it to the police in a way that serves the needs of victims, instead of the process being labour intensive and sometimes difficult. However, that is something to be discussed in detail on another day. For present purposes, I congratulate my hon. Friend the Member for Tonnes on taking up the baton in such a spectacular and effective way. I am grateful to hon. Members across the House, and I am delighted to support the Bill.
1.30 pm

Victoria Prentis (Banbury) (Con): It is a great pleasure and an honour to join my hon. Friend the Member for Totnes (Dr Wollaston) in sponsoring this Bill and to follow my hon. Friend the Member for Cheltenham (Alex Chalk), who was inspired to do so much to improve the law in this important area following the particularly horrific case that he has just told us about. As we have heard, stalking is a terrifying, intrusive and profoundly unsettling crime, and I defy anyone in the Chamber not to have been moved by the words that my hon. Friend has just read out, which truly sent shivers down my spine. It is important to recognise that the victims bear the scars for the rest of their lives.

I want to focus on the impact that stalking can have throughout a family. We heard about the Emily Mattlis case and how brave it was of her to have spoken so publicly about the effect on her marriage and children of what happened to her, and I have a constituency case that brought things home for me. My constituent, whom I will call Julie—not her real name—came to see me with her mother about 18 months ago having suffered a sustained campaign of harassment. With your leave, Madam Deputy Speaker, I will read her words to the House, rather than try to use my own, because the way that she puts things is very powerful. She wrote:

“Despite the stalker having been verbally warned by the police to leave me alone, he continued to contact me, receiving over 60 text messages/missed calls a day to either my mobile or home phone. I reported it to the police again as advised to. Different officers attended to take my statement and age and children of exposing them. All of the accounts I deactivated and eventually, some of the messages contained intimate images of me, or threats of them. All of the accounts I deactivated and eventually, after laying low for a while, I set up new accounts. However, this did not deter him.

After a very short while, the stalker managed to obtain my new mobile and home number, and again he started with the calls. I know it was him as my partner and I both spoke to him on at least one occasion where he threatened to cause harm to my partner. He used to call my home number and would call in the middle of the night several times and hang up, which woke my children on more occasions and in the end I had to change my numbers for both mobile and landline. This did not stop the contact. He tried to contact me through various other means, Facebook, WhatsApp, email, Google Hangouts, and Instagram. Some of the messages received on WhatsApp were from numbers unknown to me, and some of the messages contained intimate images of me, or threats of exposing them. All of the accounts I deactivated and eventually, after laying low for a while, I set up new accounts. However, this did not deter him.

Finding them out. She continued:

“This obviously isolated me from my circle of friends... However, he was unwittingly involving them by adding all my circle of friends on Facebook, some of which are very close and dear to me, and he started to make a nuisance of himself with them, constantly bombarding them with messages asking questions about me.”

That email goes on much longer, and it is all profoundly disturbing. It provides a picture of how young women now live their lives. So much of a person’s life is now on social media, which is an important way to keep in touch with family and friends, but even though my constituent did all the right things, took all the right advice and went to the police repeatedly, she was unable to live her life in the way that she should have been able to.

Julie’s other family members were contacted, and the part of her story that affected me most deeply is that her daughter, a young teenager, was contacted by the stalker at school. Despite numerous statements to the police, my constituent had to organise her own non-molestation order, although she was pleased that the police served it on her behalf. When she approached me, she was anxious and very afraid of what would happen in the future:

“This man will continue with this behaviour...and from what I have experienced, he won’t stop—he will do it again but to what level next time. I would love nothing more than to try and change the way cases like this are approached.”

She was pleased to hear about the Bill, and she was pleased that I was able to come and speak about her case on her behalf, although she is not at a point where she would like her details to become public.

There is obviously little I can do to assist Julie as her MP, but I got involved in her case when the prosecution against her stalker sadly came to nothing. She had pursued the matter with the police, having to tell her story again and again, as she told us in her email. When she went to court, a vital piece of evidence, a screenshot of a WhatsApp message, had been lost by the Crown Prosecution Service so could not be presented. The prosecution therefore failed, and her stalker contacted her again the next day with a crowing message about what had happened.

I have been able to assist Julie in pursuing her complaint against the CPS, and we will see what happens as a result. The damage to her life, to her mum’s life and, very sadly, to her daughter’s life has already happened. It is now too late to take away their fear when going to work or school that something nasty will happen. As we heard from my hon. Friend, the Member for Cheltenham, those fears are not unfounded. We have to take this very seriously.

I have no doubt that an early stalking protection order would have made a real difference in Julie’s case, and I hope it would have limited some of the trauma she continues to deal with today. That is exactly why this Bill is so important. The police must be given the power to take swift action on stalking offences at an early stage, and as my hon. Friend said, it is important that such action is accompanied by rigorous and relevant training not only for the police but for the CPS and the judiciary. This is a very serious crime. Generations of Julie’s family have suffered, and I want to make certain it does not continue.

1.37 pm

Neil O’Brien (Harborough) (Con): I congratulate my hon. Friend the Member for Totnes (Dr Wollaston) on introducing this important Bill and on her passionate championing of this important cause.

One reason I support the Bill is that a family in my constituency were cruelly robbed of their daughter by a stalker. Alice Ruggles was murdered in 2016 by Trimaan Dhillon, who was sentenced to life imprisonment last year. Alice had been in a relationship with him, and the relationship became controlling over time. He tried to distance her from her friends and family. After they broke up, his behaviour towards her became increasingly sinister.

Alice twice told the police that Trimaan was harassing her. He was given a police information notice, but it did not stop his obsessive and escalating behaviour. It later emerged that the police had previously given him a
restraining order for harassing another girlfriend—it is not clear the police knew that at the time of Alice’s murder.

Alice’s family established the Alice Ruggles Trust to try to make the case for changes to support victims of stalking, including a register of stalkers, so I am pleased to support the Bill today. The Bill will fill a clear gap in the protective order regime to protect people like Alice in the future. It will enable effective action against stalkers whose actions have not yet provably gone over the criminal threshold.

My concern is that at the moment too many people who pose a real threat are being repeatedly cautioned or given a police information notice, or action is simply not being taken against them. Only 1% of stalking cases are recorded by the police, and victims reported being unsatisfied with the police response. For example, research by the Suzy Lamplugh Trust found that 43% of people who have reported stalking to the police found the police response to be either not very helpful or not helpful at all, and only 12.7% of recorded cases reach a conviction in court.

I hope that by creating this new tool for the police, the new stalking protection order, the Bill will help to solve that problem. The sanctions it will create will help to stop stalkers whose behaviour is escalating, and the prohibitions it creates will help victims to live without fear, particularly where the police are building a case. As well as those direct benefits, I hope the Bill’s introduction might also be a catalyst for the police to change their handling of stalking cases more generally. A number of hon. Members have already referred to the important report by HMIC and the CPS, “Living in fear”, which found that people who have suffered from repeated harassment or stalking are frequently being “let down” by under-recording, inconsistent services and a lack of understanding in the criminal justice system.

I hope that the Bill will trigger police forces to review how they handle stalking. I hope that all chief constables and police commissioners in this country will be listening closely to today’s debate and will be observing the passage of the Bill.

Tracy Brabin (Batley and Spen) (Lab/Co-op): I, too, congratulate the hon. Member for Totnes (Dr Wollaston) on introducing this Bill. In my constituency, amazing work was done by the family of Clare Wood on Clare’s law, which was about the obligation of the police to disclose details of a history of violent behaviour if these were requested. But the right-to-know element to Clare’s law has been underused, and only 43% of requests to the police have been granted, with this seeming to be a postcode lottery. Does the hon. Gentleman agree that what is really to be celebrated about the Bill is that resources will be given to the police, so that they can respond swiftly and completely to requests?

Neil O’Brien: Yes, I do; the hon. Lady makes an extremely important point. As I was saying, the crucial thing is not just having this important new tool, which the Bill will create, but using it as a further catalyst to changes in the way the police handle something that, as my hon. Friend the Member for Cheltenham (Alex Chalk) pointed out, was not even a crime until 2012. In particular, I hope that the police will take account of the best practice guidance produced by the charity Paladin, which is extremely important.

In conclusion, this Bill is a really important piece of legislation. The flexibilities it contains will allow stalking protection orders to be useful in a wide variety of circumstances. I believe that it will both improve lives and save lives, and I support it in the strongest possible way. 1.43 pm

Mike Wood (Dudley South) (Con): It is a pleasure and privilege to take part in this debate on what could hardly be a more important subject, one literally of life and death, as has been said. I join hon. Members in congratulating my hon. Friend the Member for Totnes (Dr Wollaston) on bringing the Bill to this point. Stalking is an horrific and devastating crime, which causes unthinkable suffering to its victims. It is also an unusual crime, in that the onus almost always falls heavily on the victim to provide the evidence to demonstrate that a crime has taken place and to support their case against the stalker. In few other areas of criminal law is that function left so heavily to the victim.

The Protection from Harassment Act 1997 was introduced to deal with many of the problems that have been covered in the debate, but it did not specifically name the offence of stalking. Sadly, it soon became clear that that Act was insufficient to deal with the scale and nature of the problem. The 2012 reforms that amended the Act and created the two new offences were an important and valuable step forward. The results can be seen in the number of prosecutions since the new offences came into force at the end of 2012.

At Christmas, West Midlands police launched a seasonal campaign on the crimes of stalking and harassment. The force campaigned to encourage victims to seek help by confiding in loved ones and reporting abuse to the police. The findings are as stark as they are horrifying. Of the cases reported, 57% were domestic-related. Much like other Members have said, victims typically suffered between 70 and 100 incidents each before they reported the harassment and stalking to West Midlands police.

The campaign coincided with the case of a West Midlands policewoman who had been the victim of harassment by an ex-partner. In support of the campaign’s launch, she said:

“When I reported it to police it felt like a weight lifted off my shoulders—and when an officer came around to my house, and realised the extent of the harassment,” they wanted to arrest her ex-partner immediately. But, of course, things are rarely that simple in criminal law. The police have to build a case to be confident that they can bring charges.

The time taken and the burden of having to meet that level of proof often means that victims of stalking are left suffering further harassment, the consequences of which can be enormous. As the policewoman said:

“It felt as though he still had a hold on me and even months after we’d split up I could still sense him there. I used to dread opening letters and parcels in case they were from him—and I couldn’t enjoy my birthday or Christmas as he’d send gifts and notes saying how he wasn’t going to let me go. I felt on edge all the time.”

That type of behaviour, and its effect on victims, is exactly the kind of thing that the new civil protection orders in the Bill are designed to tackle.

In the past year, West Midlands police have received 290 reports of stalking, but only 61 people were charged, with others being cautioned or agreeing to out-of-court resolutions. That highlights the scale of the problem...
that makes the Bill necessary. We need new and more flexible measures and sanctions to deal with stalking, but although we need them to be simpler options, it is important that we make sure they are not taken as the easy option.

Civil protection orders must not replace prosecutions, so it is important that the CPS and other bodies continue to apply existing laws as fully as they can and as strongly as the law allows. This is not about replacing those prosecutions, but about the many instances of inappropriate, unwelcome and unacceptable behaviour that might not yet have escalated to that criminal threshold; about the early intervention that can change behaviour and change lives; and about protecting hundreds of thousands of men and women by preventing that stalking and harassment from spiralling into even more serious crimes. Applied properly, these orders could make an enormous difference to many lives, and that is why I am pleased to support the Bill today.

1.50 pm

Antoinette Sandbach (Eddisbury) (Con): It is a pleasure to follow my hon. Friend the Member for Dudley South (Mike Wood), who made some important points. I too pay tribute to my hon. Friend the Member for Totnes (Dr Wollaston) for introducing this crucial Bill and to my hon. Friend the Member for Cheltenham (Alex Chalk), who has long worked hard on this issue and rolled the pitch—if I may say so—in his very able way.

This is a crucial matter for women. It is no coincidence that my hon. Friends the Members for Banbury (Victoria Prentis) and for Cheltenham have, like me, been involved in many prosecutions of such cases. We are aware of the utter devastation it causes to the victims, who often effectively become prisoners in their own homes and live in fear of the impact of stalking behaviour on their families, as was powerfully described by my hon. Friend. Friend the Member for Banbury. I therefore welcome the change of attitude in the Bill towards a crime that is so often targeted at women. There has been a sea change like that in attitudes towards domestic violence. Very often in the past, it was treated as a form of obsessive behaviour by a former partner who perhaps had gone a little too far; it was not considered to be serious, as has been said. The number of victims of stalking crimes who then become murder victims illustrates dramatically why the Bill is needed.

There are many advantages to the new technological society we live in, but I fear that we are living our lives in a much more public way now, with many details on the internet. As described, people are using Instagram, Facebook, Twitter and other social media apps, and that makes information more public and increases the risk of stranger stalking. I am delighted, therefore, that I am able to be here to support the Bill. The only reason I am here—well, not the only reason—is that I, too, have a private Member’s Bill in the list, the Fetal Dopplers (Regulation) Bill, which I fear we will not get to today. I am delighted none the less that the Government have instigated a review of fetal dopplers by the Medicines and Healthcare Products Regulatory Agency, so some good has come out of it.

I will return to the subject of stalking. The devastation and psychological damage it causes is absolutely clear. The rise of the various methods of observing people via the internet, even with privacy settings, increases the ability of stalkers to target their victims—not only their victims, but, as described, their friends and family members—which causes fear and isolation. Currently, there is a gap in the law, especially for those stalked by strangers, which, very importantly, this Bill will address.

I wholeheartedly support the Bill and its aims to introduce this new stalking protection order to protect victims during the early stages of an investigation. Like many other Members in this House, it is my view that that early intervention is likely to make a significant difference in a number of cases. It may not make a difference in all cases, but it is likely to make a real difference in many of them. I am particularly pleased that these orders will be able to be tailor-made and targeted to address the specific issues, or the specific methods by which that intrusive behaviour takes place.

As MPs, we should do all we can to protect our constituents, and since stalking was made an offence in 2012, Cheshire constabulary has recorded continued increases in the number of stalking offences that are committed locally. In 2014-15, Cheshire constabulary recorded 26 stalking offences. That increased locally to 55 recorded offences in 2016-17. It is vital that we prevent this crime from becoming more widespread, that we give the police the tools to crack down at an early stage and that we provide the necessary support to victims.

I am very pleased that the Government are supporting this private Member’s Bill. It is my view that this new legislation will improve the safety of my constituents in Eddisbury by giving the police the power to address the danger that perpetrators pose while they gather more evidence. I thank my hon. Friend the Member for Totnes (Dr Wollaston) for the work that she has put in on this issue. I also thank the Under-Secretary of State for the Home Department, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins), whom I welcome to the Front Bench in her role, for the attention that she has paid to this matter. This is a really important tool in the kit. It is vital now that police forces use the tools provided by this legislation after it passes its final stage.

1.57 pm

Kevin Foster (Torbay) (Con): It is a pleasure to speak in this debate, particularly given that this Bill is being introduced by my constituency neighbour, my hon. Friend the Member for Totnes (Dr Wollaston). It is always a pleasure to be here on Friday discussing Bills, which may not be the longest Bills that we have ever considered, but they are ones that have a significant impact and deal with a hole in the law that needs to be filled, and that can only be done via primary legislation.

As I said with regard to the previous Bill, it is clear why there is a need for this Bill, why it is proportionate and what effect it will have. The test that I apply on a Friday has certainly been met in this case. For me, it is time that we looked at the impact of stalking on victims.

This is not just about a person pestering someone—perhaps sending the odd couple of things they did not want; it is about a person actually setting out to control their victim, to dominate their life, to make it so that they almost cannot live a normal life for fear of another person’s actions, and to control them in a way that has
similarities to behaviour in abusive relationships, when people are not looking to hold someone in great affection but to control them through their actions and behaviour.

It is very welcome that in criminal offences relating to stalking, we have seen increases in sentences: we have seen it viewed as something far more serious in society and in our own law over recent years. None the less, there is still this gap for those who are engaging in behaviour that is clearly wholly inappropriate. We will now have an ability to deal with them through the court. That is why there is a clear need for this Bill.

Looking at whether this Bill is proportionate takes me to the process of the application and how the orders will be granted. It will be a chief police officer who applies and who looks at whether there is clear evidence that needs to be taken forward. It will be the magistrates court that takes a decision as to whether to apply the order and what should be done with it, and then there is the fact that it can be appealed to a Crown court. There are plenty of protections in place, which means that the Bill is eminently proportionate. Furthermore, the order can fit the person. As hon. Members have already said, it is right that some people have mental health assessments, because their behaviour in many cases suggests mental health issues. This measure is a highly proportionate part of the law because it provides for tackling and putting to the test a genuine illness that may be driving someone’s behaviour, rather than just looking to threaten someone with punishment.

I particularly like the fact that an interim order can be put in place while the main application is under way, because we would not want someone to ramp up their campaign of harassment in the hope that they might stop the order being pursued or make the victim less determined to go forward while the application was waiting to be considered by the court. I am always a bit fearful of that. Indeed, this is why we have interlocutory injunctions, which go before the main hearing, when there has been an application to court. Such injunctions mean that the actual hearing does not become a pointless affair due to the person continuing their behavioural patterns up to the point at which the court can consider the case fully.

This is a proportionate piece of legislation, but I echo the comments of my hon. Friend the Member for Dudley South (Mike Wood), who made it clear that it should not be seen as a replacement for the criminal law. It is not about replacing the prosecution process or stopping someone being prosecuted. I was keen to speak on this Bill to make it clear that no police officer should look at this provision as an alternative to prosecution. If there is evidence that the crime has been committed, the police should go through exactly the same process; this Bill is not a substitute.

Alex Chalk: In the case of my constituent—a GP in Cheltenham—the only way in which she could begin the process of rebuilding her life was to know that the person who had been tormenting her was behind bars. We should not do it wilfully, but there are occasions when people have to be locked up, and this legislation should not be a substitute for custody. Does my hon. Friend agree?

Kevin Foster: I absolutely agree. This is not a substitute for someone being locked up or paying the price that Parliament has set down for certain crimes. Victims need to see justice done. As with the previous Bill we discussed, this legislation provides an additional power for dealing with poor behaviour and poor conduct in society. It is not an alternative power for dealing with poor conduct. I welcome the Minister to her place, and I am interested in hearing how she will ensure that with guidance issued to the police through the Home Office. How will the Department make it clear to the police that this is an additional provision that takes their powers further? It is not a choice between prosecution or this; it is now prosecution and this. This Bill covers behaviour that is not quite caught by current criminal offences. It is an expansion, not an alternative. The Bill does include penalties of imprisonment for continuing to breach the orders, and that is appropriate. There are some people who will not stop even after many remedies, and they probably need the threat of prison to put them off.

This Bill is welcome. It is an appropriate and proportionate step, and I am interested in how the police will implement it in my constituency of Torbay. It provides that the chief officer can apply for an order only in respect of someone in their area. How will the Minister ensure that there is co-operation between police forces in cases where the person resides outside the area or is being a nuisance to someone who goes between two areas? Those questions are about making the Bill an effective piece of legislation. How will the Minister ensure that victims of stalking—as with victims of domestic violence—feel that they can safely come forward and give their point of view, and that this new power is well known about? If people are not aware of the law, they may not know what rights they have to ask the police force to take action.

I am conscious of the time, and I have absolutely no intention of continuing to a point at which I would talk this Bill out. [Interruption.] I hear some enthusiastic approval from the Opposition Benches; I will conclude in the very near future.

I appreciate and welcome this Bill. I hope that I get the opportunity to serve on the Committee and take part in some of the detailed scrutiny of exactly how this will work and move forward. That applies particularly to the guidance that is issued to chief police officers when they make these decisions, because we want this power to be effective, and an addition, not an alternative, to the existing criminal law.

2.4 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I congratulate the hon. Member for Totnes (Dr Wollaston) on bringing forward this very important Bill. We have had a short but well-informed debate that people who are interested in this issue will read and appreciate.

As many Members have said, stalking can be an extremely serious offence that has been exacerbated by the rise in online communication. The victims are usually women who are vulnerable to the actions of resourceful and obsessive perpetrators, and there are often links with domestic violence. The crimes can be horrific. They can combine physical and online stalking, late-night phone calls, and even home invasion. Threats of rape and murder are frequent and all too often credible. I understand that in the case of the man who murdered our colleague Jo Cox, when people went to his home...
they saw that he had a whole room papered with pictures of Jo, so we need to remember that this type of obsessive attention not necessarily will, but can, end in physical violence.

Far too many stalking crimes go undetected. In 2015, there were just 194 convictions for stalking offences. Yet, as other Members have reminded us, the crime survey suggests that one in five women and one in 10 men will be affected by stalking in their lifetime, while the under-publicised national stalking helpline has responded to almost 14,000 calls since it was established in 2010. Clearly, the conviction rate is barely the tip of the iceberg.

I should not refrain from pointing out the failings of the criminal justice system as it stands. Often, victims are not kept informed. Case adjournments take place without notice. Charges are altered or dropped without reference to the victim. If the victim makes it to court, they can be cross-examined by their own tormentor. Many victims say that they are made to feel that they are on trial. Serious offenders can receive no more than a suspended sentence, even if convicted.

There has been reference to the Emily Maitlis case. Of course, it is important that we repeat that stalking is not just something that affects celebrities. However, I was struck by some of the things that Emily Maitlis said: the fact that it had gone on for 20 years and felt like having a serious illness; the effect it had had on her family and her children; and, above all, the fact that her stalker was able to write to her from prison and while out on licence. Although this is an excellent Bill that I hope will pass through the House, we have to consider the whole approach of the criminal justice system to this issue, and make sure that we have a comprehensive, systematic and integrated approach to the crime of stalking.

We have heard some excellent contributions, including from my hon. Friends the Members for Rotherham (Sarah Champion) and for Batley and Spen (Tracy Brabin), but also from the hon. Members for Banbury (Victoria Prentis), for Cheltenham (Alex Chalk), for Harborough (Neil O’Brien), for Eddisbury (Antoinette Sandbach) and for Torbay (Kevin Foster).

Labour Members give wholehearted support to this Bill, which will form an important part of the toolkit to deal with the menace of stalking.

2.8 pm

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): I thank my hon. Friend the Member for Dudley South (Mike Wood). Interestingly, he brought to light the research by the West Midlands constabulary showing that there are an average of 70 to 100 incidents before victims report their suffering to the police. I will take that away and consider with officials how we can address it.

Once the police have these powers, they must use them. Through the police transformation fund, we have provided £4.1 million to the police, in partnership with the Suzy Lamplugh Trust, for a multi-agency stalking interventions programme to share best practice and learning on the development of effective interventions for stalking. Last week, I had the pleasure of meeting officers from Hampshire and Gloucestershire who are doing great work on this. Again, I hope that that will address the concerns of my hon. Friend the Member for Torbay about early intervention. The proposed stalking...
Stalking Protection Bill

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protection orders will form part of the bigger picture of tackling stalking as a vital additional tool at the disposal of our police forces.

We must not just look at stalking in isolation. As the Minister for Crime, Safeguarding and Vulnerability, I have responsibility for protecting women and girls—and, indeed, men and boys—from all forms of violence, including stalking. The strategy to end violence against women and girls, published in 2016, sets out our ambition that no victim of abuse is turned away from the support they need. We have committed to increasing funding to £100 million to support this work. There is a great deal of overlap, sadly, between the different crime types tackled in the VAWG strategy, and we must make sure that the police, the CPS, social care professionals, health professionals and others work together to get the results needed for victims. There are key principles that must be shared, promoted and implemented when dealing with these cases. We must show empathy to victims, and an understanding and a recognition of the patterns of behaviour. We must have effective multi-agency working, we must prioritise early intervention and prevention, and we must ensure that there is appropriate victim care and support.

In conclusion, the Government are committed to drawing on the expertise and experience of victims, survivors, academics, the voluntary sector, communities and professionals to do all we can to improve the response to stalking and to VAWG generally. I must finish by thanking my hon. Friend the Member for Totnes for all her hard work on the Bill, and by thanking Members on both sides of the House for their support. I hope that our collective efforts will enable us to make positive progress with this vital Bill, and to provide victims of stalking with the support and the help they need.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

School Holidays (Meals and Activities) Bill

Second Reading

2.15 pm

Frank Field (Birkenhead) (Lab): I beg to move, That the Bill be now read a Second time.

I thank those who, through the usual channels, have ensured that we got a debate today. I have never been more pleased with their activities and with what they have shown us over the last few hours.

The case for the Bill has been made in the country and, as I told the Minister, I intend to be brief. People do not want to hear me; they want to hear him. First, however, I will take a couple of minutes to outline the need for this Bill. In one way it is shocking that a Bill to ensure school meals and fun during school holidays—particularly for the poorest children—is being presented today. I also feel some pride, however, because I see in the Public Gallery people from my constituency who, like many volunteers around the country, have played a huge part in ensuring that children who would otherwise go hungry are fed.

The lesson of that massive example of activity is that the task now is beyond what the voluntary sector can do and the challenge is therefore passed to the Government. I hope that the Minister will take up that challenge in two ways. The Bill seeks to initiate a number of pilots around the country, sponsored by the Government, so that the first moral principle of social action—that we should do something for people who are suffering now—is met. However, we also want the Government—and us as legislators—to learn from that experience and to undertake research activities so that we can see what is the best way to deliver these programmes, with the help of the voluntary sector and, above all, what the impact is of such programmes on children’s weight—weight is often lost during the school holidays—and on their ability to maintain the educational advancements achieved during the school term.

This is a historic opportunity, and the first time for more than 100 years that this House has discussed a school meals Bill. As I said, it is not me that people want to hear but the Minister, so I am happy to end my speech now.

2.18 pm

The Parliamentary Under-Secretary of State for Education (Nadhim Zahawi): Will you, Madam Deputy Speaker, pass on our birthday wishes to Mr Speaker, as I understand it is his birthday today?

I congratulate the right hon. Member for Birkenhead (Frank Field) on promoting this Bill and making such a clear case for change. As a new Minister, I hope that I am able to emulate his exemplary and tireless commitment to improving outcomes for disadvantaged families, and I wholeheartedly applaud his ongoing efforts in this area.

Let me set out what this Government have done to tackle poverty and disadvantage. Last April, the Government published their “Improving Lives: Helping Workless Families” strategy, which focused on measures that tackle the root causes of poverty and improve children’s welfare. Tackling poverty, and its root causes, is a key priority for this Government, and we know that
for most people work represents the best route out of poverty. Unemployment has not been lower since 1975, and the proportion of workless households is at its lowest since records began. Our welfare reforms are working. Let me give an example. Analysis by the Resolution Foundation has shown that our national living wage lifted 300,000 out of low pay last year. That is the biggest uplift out of the lowest bracket since 1970.

We recognise, however, that there is more to do, and the Government are committed to delivering a country that works for everyone. I am, therefore, keen to work with the right hon. Gentleman and other stakeholders to help the most disadvantaged pupils to have access to activities and healthy meals during school holidays. That has the dual benefit of ensuring that children have access to healthy food and enabling them to gain skills and experiences that can unlock future opportunities.

My Department’s breakfast clubs programme is one area in which we are already exploring how we can tackle that issue. The programme will not only expand breakfast clubs in at least 1,500 disadvantaged schools; it will also promote innovation through projects that focus on addressing access and delivery barriers and improving the health and education outcomes of disadvantaged children. I also agree with the right hon. Gentleman that we must look at how best to ensure that the most disadvantaged pupils have access to activities and healthy meals during the school holidays.

I am, therefore, pleased to confirm today that the Government will launch research, as the right hon. Gentleman has requested, into how best to ensure that more children from disadvantaged families benefit from healthy meals and enrichment activities during the holidays, including through targeted pilots. The programme will include engagement with stakeholders and will enable us to assess the impact of Government intervention.

Where I differ with the right hon. Gentleman is in his belief that primary legislation is required to address the issue. I do not believe that that is the case. Moreover, it would not be sensible to impose a duty on local authorities to deliver such provision until we have more evidence about the scale of the issue, the most effective ways of tackling it, and, of course, the costs and burdens associated with doing so.

The Government therefore oppose this private Member’s Bill. However, as I have already confirmed, the Government will support the right hon. Gentleman’s proposal to investigate the best way to ensure that the most disadvantaged children have access to activities and healthy meals in the school holidays. The research programme will include funding for a targeted pilot programme, as he and I have discussed. That will allow the Government to consider if and how they should intervene in the long term. That programme of work will focus on the best and most cost-effective ways to address the issue, with an emphasis on securing the best possible value for money.

We will ensure that we do that by maximising the use of existing resources and focusing on targeting those areas in greatest need, building on the good work that is already under way in many local communities. However, only once the findings from the evaluation are available will it be possible to reach an informed view about next steps. We will want to consider these findings carefully, taking account of value for money. Before we have the evidence, it would not be right for me to make any commitment today to further action, either in terms of introducing a national policy or placing a duty on local authorities to offer such provision along the lines proposed by the right hon. Gentleman’s Bill.

Frank Field: I entirely understand why the Minister does not want to go down a primary legislative route, but the main aim of the Bill was to invite the Government to match the extraordinary efforts of the voluntary sector and undertake their own pilots. Equally important, however, is the research side. We need to understand what is the best way of delivering this service to poorer children, and also to understand the educational consequences of such a programme. I hope that, in the not too distant future, we shall be ready to greet the Minister when he rises to introduce his own Bill based on the pilots and the research. As he knows, there is massive support for my Bill on both sides of the House, not least his own side.

Nadhim Zahawi: I thank the right hon. Gentleman for dealing with this issue through an evidence-led strategy. He agrees with the Government that we need to conduct the research and the pilots in order to understand what is happening.

Kevin Foster (Torbay) (Con): I can give some evidence of Conservative support for this work. How will the pilots be selected? Will it be done on a local authority basis?

Nadhim Zahawi: It is early days. We are currently considering how we will conduct the research, and when we have conducted that research we will, hopefully, be able to tell the House how we will conduct the pilots.

Dr Roberta Blackman-Woods (City of Durham) (Lab): I am grateful to the Minister for announcing at least some progress. Will the pilots involve looking into how the sugar tax could be used to help to feed children during the holidays?

Nadhim Zahawi: We have secured funds for the research and the pilots. The hon. Lady will know that the sugar tax has been committed to many other matters in the Department that are equally important.

Several hon. Members rose—

Nadhim Zahawi: I will make some more headway first. Then I will take a few more interventions.

To reach an informed decision, we will work across Government. We will begin immediately to carry out rapid research, along with further stakeholder engagement. That will enable us to learn from those who are already active in the field about how to achieve the most positive outcomes. I am keen to work in partnership with the right hon. Member for Birkenhead to drive that forward, and I will be most grateful for his continued support and expertise. We will, in particular, look to colleagues in Wales, who are already offering “food and fun” holiday schemes, and to the teams who have evaluated them. We will learn lessons from similar schemes elsewhere. There are, for example, the opportunity areas, six more of which we have launched today. We will also consider
how to build on breakfast club provision. Drawing on the learning from the research and engagement, we will set out our plans for the research, including the pilot programme, later in 2018.

Diana Johnson (Kingston upon Hull North) (Lab): Will the pilots take place this year? In Hull we are already trying to plan for a scheme to be in place in the summer, and it would be nice to know whether we could apply for funds to conduct one of the pilots.

Nadhim Zahawi: We will begin the research immediately. The difficulty with beginning the pilots in the holidays this year is the procurement process, but I want to begin them as soon as possible.

Several hon. Members rose—

Nadhim Zahawi: I want to make a little more headway. It is important for any provision to take account of local need, so we will seek to ensure that our approach can respond to a variety of circumstances and contexts. For example, we will aim to cover rural as well as urban areas, to work with different types of schools and across educational phases, and to ensure that provision can be accessed by children with special educational needs and disabilities. We will build links with and between local partners by, for instance, assisting voluntary and community sector organisations to work collaboratively with schools to achieve those aims.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Will the Government also use research from pilots that the voluntary sector led last year, when 10,500 meals were served in my constituency?

Nadhim Zahawi: I would very much like to see that research. We will both collate research already done and commission new research. We want to get this right.

The research programme will begin immediately and will include some initial work in the 2018 summer holidays followed by further piloting in the 2019 Easter and summer holidays. The Government work will investigate how to provide a balanced, enriched programme for the most disadvantaged school-age pupils.

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 27 April.

Business without Debate

FETAL DOPPLERS (REGULATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 15 June.

WORKERS (DEFINITION AND RIGHTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 April.

AUTOMATIC ELECTORAL REGISTRATION (NO. 2) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 April.

TYRES (BUSES AND COACHES) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 23 February.
2.31 pm

**Jo Platt (Leigh) (Lab/Co-op):** Rail connectivity between towns and cities represents the tool by which our local economies prosper, our businesses thrive, our young people travel for employment and educational opportunities, our skills gaps narrow, social isolation can be tackled and leisure facilities accessed, and, most importantly, social mobility is enhanced.

Over the past few months the Government have acknowledged the importance of rail connectivity. In report after report transport and infrastructure have been rightly highlighted as major tools to solve some of the biggest problems we face in society. However, I am increasingly concerned that these statements are empty words that are not backed with the commitment or investment deserved. Let us consider each of these reports in turn.

After the publication of the Government’s rail strategy, I welcomed the announcement that the Government would consider reopening lines closed in the 1960s to unlock housing and development. However, just a glance at the detail of this announcement shows that these lines have already been announced by the Government, and none of these proposals is due to benefit Greater Manchester’s transport system. This is a strong proposal let down, yet again, by the detail.

In the autumn Budget, we heard from the Chancellor that our productivity is flat-lining and our economy is in urgent need of an investment boost. But instead of taking the immediate opportunity to announce infrastructure projects to boost our economy, create employment and link our towns and cities, the Government delivered a threadbare Budget that did not seek to remedy the problems we are facing today, let alone tomorrow.

The Government’s industrial strategy was then released, which contained many previously announced statements, some extremely broad policies and no commitment to invest in our post-industrial towns. At the exact time we needed an urgent plan, yet again we received nothing.

Earlier this week, we also saw Transport for the North’s “Strategic Transport Plan”. The Government hailed Transport for the North’s powers as “game-changing” but the reality is that the Government have created a powerless body at the mercy of the Transport Secretary. While I welcome the fact that our region now has a local body to champion the issue of its transport connectivity, Transport for the North does not have the power it needs to make these important decisions.

**Liz Twist (Blaydon) (Lab):** Does my hon. Friend agree that it is disappointing that we will not see the investment that we had hoped for on the west coast to east coast lines, which are so important to our productivity?

**Jo Platt:** My hon. Friend is absolutely right. This is not just about my area; it is about connections to all our towns and cities, particularly in the north.

It is outrageous that the Government have only given TfN those powers, but the Conservative Government are treating the north with characteristic contempt by failing to match our offer. However, within the detail of TfN’s plans, I was pleased to see Leigh listed as a major economic centre in the middle of four strategic corridors. The Government’s lack of support for TfN has hampered its ability to set out detailed transport plans, but I hope that when those plans arrive, they will lead to the transport improvements that we need in Leigh.

I have also received a letter from Transport for Greater Manchester this week stating its commitment to review the current lack of rail connectivity in Leigh, which I also welcome. However, following meetings with both TIGM and TfN recently, I have identified two key problems with the relationship between our regional transport bodies and the Government. First, I am concerned that investment from the Government is based on responding to growth rather than creating it. We cannot continue with this failed approach to investment that focuses on areas of existing growth without preparing our towns for the economy of the future.

Secondly, as I will discuss later, the Government are failing in their obligation to adequately fund these bodies. Therefore, TfN’s 30-year plan must ensure that our post-industrial towns are carried with the growth of our northern cities. Leigh was at the heart of the first industrial revolution, and we must now act to ensure that its residents are not merely spectators in the so-called fourth industrial revolution.

Poor rail connectivity is also having a direct impact on social mobility in our towns. The Social Mobility Commission recently concluded in its “State of the Nation” report that the “worst performing areas for social mobility are no longer inner city areas, but remote rural and coastal areas, and former industrial areas”.

These outer towns such as Leigh are becoming ever more disconnected from our booming cities, and the commission subsequently placed Leigh in the lower rank of constituencies.

**Bambos Charalambous (Enfield, Southgate) (Lab):** In my constituency, the extension of the London underground to Cockfosters allowed the area to flourish almost a century ago. Does my hon. Friend agree that transport connectivity is vital for social mobility and essential if an area is to grow and flourish?

**Jo Platt:** My hon. Friend is absolutely right. We are naming transport as one of the key indicators for social mobility. There are obviously many others, but transport connectivity is much needed.

Infrastructure is letting down the young people of Leigh. Despite their dedication and hard work, they are struggling to gain the necessary education, skills and employment to remain competitive. They are being let down, and to realise why we only need to read Alan Milburn’s letter of resignation as chair of the Social Mobility Commission. He wrote that the Government “is understandably focused on Brexit and does not seem to have the necessary bandwidth to ensure that the rhetoric of healing social division is matched with the reality. I do not doubt”—the Prime Minister’s—“personal belief in social justice, but I see little evidence of that being translated into meaningful action.”
There is no greater example of this than Leigh, which is in urgent need of investment today—not after our Brexit negotiations or in 20, 30 or 40 years’ time, but today. For the young people growing up in outer towns, we are talking about their futures. There are simply no second chances for them. Unless we act urgently to improve our nation’s connectivity, we are at serious risk of leaving behind a forgotten generation of young people who are unable to access the employment and education opportunities offered in our cities.

That brings me on to the specific transport situation that we face in Leigh. As a thriving town situated between Manchester and Liverpool, with nearby Warrington and Merseyside providing key employment and educational opportunities, transport is clearly critical to my constituents, and yet our town has no rail connectivity whatsoever. Indeed, we are the fifth largest town in the country with no rail connectivity.

It would be remiss of me not to mention the recent transport investment that Leigh has received. The guided busway into Manchester has proved to be a superb project, exceeding expectations, reducing journey times into Manchester and proving the importance of strategic investment into our town. However, the busway does not assist those travelling to work outside the city. For example, one constituent got in touch with me this week to tell me that his journey to work, which takes 40 minutes by car, is a two and a half hour journey by bus. Another constituent, Lynn, highlighted the impact on businesses, saying that if a customer wants to visit her shop from further afield by train, they get put off by having to use the bus for the final leg. The impact is felt not only by our young or our businesses. Cuts to public transport and the process of deregulation of our bus services have a huge impact on our most vulnerable and older people, and that impact cannot be overstated.

Rail connectivity cannot happen on its own. There must be seamless integrated connectivity with road networks, cycle lanes and other public transport. Reducing congestion, noise and air pollution is also an important aspect of addressing detrimental health outcomes in our less-connected towns. While Leigh is an amazing constituency in which to live, perfectly situated as it is between many northern cities, a great place to bring up a family with its good and outstanding schools, and the fertile ground for businesses to invest, without efficient and comprehensive transport connectivity we are being held back. We are restricting business and economic growth, employment opportunities, and the life chances of our young people. Now is the time to act because, despite the Government’s best efforts, the northern powerhouse cannot succeed unless our towns are positioned as the engine of northern growth.

I anticipate that the Minister will respond by placing the weight of responsibility on regional transport bodies in the north and will insist, rightly, that it is for local bodies to determine the transport needs for local areas. However, the Government have not been funding those bodies adequately to allow investment in the medium to large projects that will mark the much-needed step change in our transport connectivity. Passing the buck to regional bodies, without giving them the resources to deliver, shows exactly how the Government treat the north—without any concern or ambition for the region to succeed.

When talking about the north’s transport woes, the Government must understand that the Opposition are not talking about an extra bus here and a new route there—that simply will not cut it. If the Government are serious about putting the passenger first, they must transform how they invest in all infrastructure, creating seamless connectivity. We need a total revolution in our approach to transport and infrastructure spending. We need the Government to commit to prioritising areas of poor social mobility and to invest in their infrastructure, bringing their local economies into the 21st century and making sure that no town is left behind.

2.43 pm

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I congratulate the hon. Member for Leigh (Jo Platt) on securing this debate. As she knows, the Government are committed to creating a northern powerhouse to rebalance our economy. Improvements in transport connectivity are central to that and support a broader strategy for building that northern powerhouse, including investment in business, innovation, health, agriculture and culture, which the hon. Lady mentioned.

Between 2015 and 2020, the Government will spend over £13 billion improving and modernising northern transport—this is the biggest transport investment in the region for a generation—and we are also committed to giving the great towns and cities of the north more say over transport investment through Transport for the North. As part of that plan, the northern powerhouse rail programme aims to dramatically improve connections between major cities across the north of England. Transport for the North is considering a range of options, including whether other significant economic centres could be served by northern powerhouse rail. We will receive a business case from Transport for the North later this year.

Before addressing Leigh, I will highlight the significant transport investment already under way in Greater Manchester and across the north to support the northern powerhouse. We are investing around £40 billion in our network as part of our biggest rail modernisation programme for more than a century to provide faster journeys and more comfortable trains. That includes delivering improved journeys for passengers right across the north.

Through the growth deal process, the Government have provided the Greater Manchester local enterprise partnership with £663.4 million to support its investment in transport to provide a better integrated transport network across Greater Manchester. As part of the Northern and TransPennine Express franchises, and as part of the Great North Rail project that is currently being delivered, Wigan will benefit from the frequency of trains to Manchester via Atherton being increased to four an hour using newly refurbished trains. The rail route between Liverpool and Wigan has also been upgraded.

By 2033, up to 18 trains will be running each hour on High Speed 2, carrying up to 1,100 passengers each. HS2 will free up space on our existing railways for new commuter, regional and freight services. During construction, it will generate 25,000 jobs and 2,000 apprenticeships. It will also support growth in the wider economy, worth an additional 100,000 jobs.

The Government have given £2.5 million to Greater Manchester to develop a local growth strategy that will propose ways of spreading the benefits of HS2 beyond the immediate station vicinity and improving connectivity.
from HS2 stations to the wider conurbation. The Government will continue to work with Greater Manchester to help to deliver those plans.

Leigh will be able to access HS2 services from multiple locations, including Wigan, Manchester airport and Manchester Piccadilly, which is readily accessible by public transport from Leigh, including via the new busway. HS2 will also join the west coast main line at Golborne, south of Wigan, as well as at Crewe. By linking to the west coast main line, HS2 will deliver benefits to areas such as Preston and Lancaster in north-west England and all the way up to Glasgow and Edinburgh in Scotland. Growth strategies developed by local areas will also play an important part in spreading the regeneration benefits of HS2 beyond those places it serves directly.

Jo Platt: The Minister talks about connecting to HS2, but it will take more than an hour for some of my constituents in Mosley Common to travel into Wigan by public transport. How will they access HS2 in good time? It will take passengers less time to travel from Wigan to Birmingham.

Ms Ghani: I am pleased the hon. Lady does not deny all the benefits that HS2 will bring to the area. There has been investment in public services, and a lot of these decisions have been devolved to the local Mayor, whom she can challenge to take up the case. She cannot deny the opportunities that HS2 has opened up to the region.

As the Chancellor announced at the Budget, the £1.7 billion transforming cities fund will address weaknesses in city transport systems in order to raise productivity and spread prosperity. It will fund new local transport links, making it easier to travel between more prosperous city centres and frequently struggling suburbs. That will help to ensure that people across the country have better options to combine different modes of transport by supporting projects that will improve connectivity, reduce congestion and introduce new mobility services and technology.

We have already seen the impact of better integrated transport links for both passengers and the local economy in cities such as Nottingham and Manchester. The new transforming cities fund will enable more English cities to reap those benefits, helping to deliver the opportunities and ambition of the industrial strategy across the country, as well as driving forward the northern powerhouse and the midlands engine. Greater Manchester will receive £243 million from the transforming cities fund. As part of the Greater Manchester Combined Authority, it will be for the Mayor and the GMCA to decide whether to use this allocation to develop projects to improve connectivity in the Leigh area—I hope that helps to address the earlier question.

The Government have been very clear that we need better travel connections in the north. To address this, we are already spending record amounts on transformational projects, such as HS2 and the Great North Rail project; new trains and extra services, through improved franchises; and £3 billion on roads to make journeys faster and more reliable. Of course, investment in the north is crucial, and we are demonstrating that, but there is also a need for a long-term strategy to drive those investment decisions—a strategy developed by the north for the north. Pioneering legislation to transform Transport for the North into the first ever statutory sub-national transport body, with legal powers and duties, was approved by Parliament this week. Also this week, Transport for the North published its draft strategic transport plan for consultation. As a result of TfN’s new powers, coming into force on 1 April, the Secretary of State will formally consider the north’s strategy when taking national decisions.

I welcome the publication this week of the draft strategic transport plan, which is an important step in the north speaking with one voice to set out its vision for transport in the region over the next 30 years. I encourage Members to respond to TfN’s public consultation. The north’s unprecedented role in national transport planning will ensure that links between transport and economic development are maximised. We see the establishment of TfN as a significant step for the north and the country.

Liz Twist: As the Minister says, we have seen the launch of the transport strategy for the north, and we will indeed be responding to it as local Members. May I ask her to ensure that when the decisions are made, we will get our fair share of the funding to turn those plans into reality and really make a difference for our regions?

Ms Ghani: This is why it is so crucial that as many Members as possible put forward their ideas and make sure we have their input in the plan, because all Members who add in their information will find that all that data will be put together and will have to be taken into account for those decisions to be made. I encourage Members to make a strong case for their regions and constituencies.

The north’s unprecedented role in national transport planning will ensure that links between transport and economic development are maximised. We see the establishment of TfN as a significant step for the north and the country. It will work with the region’s transport authorities and elected Mayors to build a long-term vision for transport across the north of England. As the voice of the north on transport, TfN will also have unprecedented influence over Government funding and decision making. What this Government are clearly demonstrating is that, in setting up TfN and backing the election of metro mayors, we are giving the north greater autonomy and control, and a powerful voice to articulate the case for new transport projects.

I am, of course, aware that Leigh is the largest northern town without a rail station. We recognise that that appears to be an anomaly, especially given the fact that Leigh had a station for more than a century between September 1864 and May 1969. We are also aware that the Leigh area rail study of January 2012, produced by Transport for Greater Manchester and Wigan Council, stated in its recommendations:

“A wider business case, which included regeneration benefits to Leigh, could be explored in the context of supporting potential future funding bids, but the significant gap between costs and projected benefits of the scheme must be recognised.”

Since that report, there has of course been much rail investment in the north, as well as a number of major reports on the future, all with the aim of enhancing the north’s infrastructure and the services it supports. Leigh has seen some positive developments, with the arrival of
the £122 million Vantedge guided busway, which provides fast and efficient links into Manchester. It is also important to state that the integration of local, pan-northern and national transport networks of all types is a key focus for TfN.

The Government have, through the years, consistently explained to local representatives, including the hon. Member for Leigh, that, as is the case elsewhere in England, it is for local bodies to determine whether opening a rail station is the best way of addressing local and regional economic development needs, and to secure appropriate funding, including from that made available from government for such purposes through growth and devolution deals.

When he was the Rail Minister, my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) met the hon. Member for Leigh on 29 November 2017 to address her concerns about HS2 and to provide advice on how her proposal could be taken forward. The hon. Lady was given the contact details of officials at Transport for Greater Manchester and encouraged to engage with them so that they might consider whether a new station at Leigh could play a role in their plans. She will be pleased to hear that Transport for Greater Manchester will soon commence a new study to examine all potential stations in Greater Manchester and review the possible benefits of investment. The sites that are deemed to be potentially viable will be subject to a full business case, which could be put forward for funding in due course.

Jo Platt rose—

Ms Ghani: I shall make some progress because the hon. Lady will want some time to respond.

People in Leigh will be able to access HS2 services from multiple locations, including Wigan, Manchester airport and Manchester Piccadilly station, which is readily accessible from Leigh by public transport, including by use of the new busway. HS2 will join the west coast main line at Golborne, south of Wigan, as well as at Crewe. By linking to the west coast main line, HS2 will deliver benefits to areas such as Preston and Lancaster in north-west England, all the way up to Glasgow, Edinburgh and the rest of Scotland. The growth strategies that are developed by local areas will also play an important part in spreading the regeneration benefits of HS2 beyond those places it serves directly.

I hope I have answered the hon. Lady’s questions and addressed her concerns, and that I have assured the House that the best way to drive railway improvements is to support our strategic vision for rail, which includes the north of England having, in Transport for the North, a new and powerful voice to articulate its future transport needs.

I apologise that I had not realised that the hon. Lady cannot respond; I will take an intervention now.

Jo Platt: The meeting with Transport for Greater Manchester was really successful, and I welcomed the advice of the previous Minister about meeting Transport for Greater Manchester and Transport for the North. My concern is that the strategic plans and frameworks are for 20, 30 or 40 years’ time, so generations of young people in Leigh will not feel the benefit.

Ms Ghani: We have discussed a variety of ways that investment is being put into the hon. Lady’s area. The plans are in place now; they are not just for future generations. People say that when they talk about HS2, but there is solid investment in the region and in the hon. Lady’s constituency, be that in busways or the rail network. The investment is in place. The work that followed the meetings with the previous Rail Minister will continue, and I encourage the hon. Lady to speak to the people responsible who have the powers locally and to continue to engage with them.

Question put and agreed to.

2.58 pm

House adjourned.
Universal Credit: Private Rented Sector

9.30 am

Stephen Lloyd (Eastbourne) (LD): I beg to move,
That this House has considered the effect of universal credit on the private rented sector.

It is a privilege to serve under your chairmanship, Mr Gray. It was good to obtain this debate, and I am delighted that a range of colleagues have come to speak on such an important issue.

This is indeed an important debate. We all know and read about the challenges with the lack of housing across the UK. Some 1.2 million to 1.3 million people on housing benefit or local housing allowance are in the private rented sector. Most of us will know from our constituency casework that many private sector landlords are reluctant to let to people on housing benefit. My supposition, which is clearly proved by the evidence, is that the universal credit roll-out, up until the recent changes in the Budget, would not acknowledge the issues and the challenges and frustrations for private sector landlords not wishing to rent to people on benefit and certainly not to those on universal credit, and that without a default payment direct from the Department for Work and Pensions to the landlord, even more people in the private sector will pull out of the whole area. That has proved to be the case.

How did we get to this situation? I remember that when I was last a Member of this place, I served on the Select Committee on Work and Pensions and I repeated ad nauseam to the then Secretary of State, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), that one fundamental flaw of universal credit was the insistence that the tenant should receive the full housing benefit and pay it on to the landlord. I understood the argument; I understood that that was about encouraging responsibility. My frustration—I argued this very assertively in numerous Select Committee sittings—was that the problem with ideologues is that they fit the facts to their ideology, rather than recognising that facts are facts. I was sure, from my own experience as an MP and from talking to colleagues, that sadly many tenants on universal credit would not pass the money over to their landlords, for one reason or another, and that that would make the private rented sector even more nervous about letting to people on housing benefit.

Ruth George (High Peak) (Lab): The hon. Gentleman is making an excellent speech on a very important issue, and I apologise because I will have to attend the Finance (No. 2) Bill Committee shortly. A landlord who came to my surgery had 20 tenants on universal credit, of whom 18 were in arrears and nine had to be evicted. That is at this very early stage of the roll-out, when full service has not yet come to my area. Does the hon. Gentleman agree that those are the sort of facts that do not fit into the theory of universal credit?

Stephen Lloyd: I appreciate the intervention. It is good to see the hon. Lady here, and I entirely agree with her. She gives a strong example, which any Member of Parliament, from any party and anywhere in the country, who supports people on universal credit and works with people in the private rented sector will know to be true.

At that time, there was a coalition Government and a Conservative Secretary of State. People can check the record: I said again and again, “This is going to be a car crash,” but that was ignored. We move on to 2015—I am giving a bit of context. The Government carried on rolling out universal credit, and we had numerous examples, such as that which the hon. Member for High Peak (Ruth George) has just given—others in the Chamber will have had experience of such things over the past two years—of the fact that without that default, fewer and fewer private landlords are letting to people on universal credit, and that those who are see tenants falling into arrears. Section 21 evictions are going through the roof. It is just utter madness. We now move to 2017.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on obtaining this timely debate. I am sure that he will agree that through a lack of social housing, more and more people are being forced into the private sector, but rents are going through the roof. I agree with him about private landlords. We have only to watch television documentaries on this issue to see what the situation is. We see two or three blocks of people being moved out because the private landlord can get more money as a result. It is also a public scandal that in London and other places, there will be four or five people sharing the same house because they cannot afford the rent singly. I am sure that the hon. Gentleman would agree that we should have stronger regulation in that respect.

Stephen Lloyd: I thank the hon. Gentleman for the intervention. He raises an important point about the public sector, because housing associations and councils have also been badly affected. It is just that broadly speaking—again, everyone in this Chamber knows this, because we are experienced politicians—the public sector will be more patient and understanding as it waits for payments from universal credit. Usually, private landlords simply cannot wait, not because they are mean or what have you, but because their business model does not allow them not to be paid for month after month. As a result, there is a spike in section 21 evictions.

We now get to the Budget. Finally—although I would like to think that this was partly due to my lobbying I know that it will be thanks to many other people in this Chamber and outside—the Chancellor of the Exchequer took on board some of the fundamental criticisms that I have been making of universal credit, for years frankly, about default payments to landlords, and some changes were made. At last! It was five or six years since I had been arguing for that and advocating it, but better late than never. It will make a difference, and that I approve of. However, it is only the first part of the journey in relation to automatic default rental payments to landlords. It is the beginning, but it does not include people who are not already on automatic payments. As I understand it—the Minister may provide clarification—it also does not include all those people to whom universal credit has already been rolled out over the past few years.
And it does not start until the spring. It is a step in the right direction and an acknowledgement from the Government that they made a mistake and they finally want to try to put it right, so I approve of it, but there is still much further to go.

Dr David Drew (Stroud) (Lab/Co-op): Does the hon. Gentleman accept that this is one of the fundamental flaws? Local authorities have decades of experience of dealing with housing benefit, both in the public sector and, more particularly, in the private sector. We have thrown all that expertise away, which is so counterproductive. Does the hon. Gentleman agree?

Stephen Lloyd: I appreciate the intervention. Not only do I wholly agree, but the decisions are completely irrational. One thing that I am finding out from the Residential Landlords Association and others is that there is not adequate communication between the DWP, local authorities and landlords, so even though, in theory, it seems from the changes in the Budget that there is the beginning of an understanding from the Government that default payments will be necessary to prevent a complete car crash, there is still a long way to go towards understanding that they have made the system so complicated that things will still be very hard for residential landlords. What does that mean? It means that they will pull out in droves.

Currently, 1.2 million people are on housing benefit or LHA in the private rented sector. There is a housing crisis in this country. This is not the debate to discuss that, but we have a housing crisis; we all know that from our constituency surgeries. The Government could convert that 1.2 million to 2.4 million; it could double the number of tenants moving into the private rented sector, because the capacity is there. However, that will happen only if the Government make it easy—very straightforward—for private landlords to take on someone who is on universal credit and give them a roof over their head, and if there is that automatic default payment that is, as it says on the tin, automatic.

If I am a landlord and I take someone, or am willing to take someone, on universal credit, and give them a flat or a house, a roof over their head, the automatic situation—by mutual agreement with the tenant, I accept that that is important—would be for his or her payment on universal credit automatically to go straight into my account, the landlord’s. I was in business for years before I went into politics, and I can absolutely guarantee that despite the challenges with some tenants on universal credit, in the eyes of landlords, ultimately, a business is a business, and if a landlord is getting their payment directly into their business bank account every month—or every two weeks, as I would like, but that is another issue—then, as a business, they will look favourably on that particular group. That is something that I really urge the Minister to consider.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this debate. On the issue of the automaticity, as he might term it, of the payments going to the landlord, does he agree that in parts of the United Kingdom, such as Northern Ireland, where we have negotiated that, it has not led to an increase in rent arrears? There are other problems, but rent arrears are not a big one. We have also negotiated the twice-per-month payment, which helps both landlords and tenants to know that the rent is being paid and the tenant to know that he or she is not going into arrears.

Stephen Lloyd: I thank the hon. Gentleman for that intervention; I was going to come to that point in a moment, but I will come to it straightaway. In Northern Ireland—I think five or six years ago, way before we reached the crisis that we have had over the past couple of years—the politicians negotiated default direct payments to landlords. They also negotiated that the payment should be every two weeks. I am reliably informed by colleagues from Northern Ireland that at the time the DWP—again it was under the then Secretary of State, the right hon. Member for Chingford and Woodford Green, if my memory serves me—did not want to budge and insisted that that would collapse the entire thing. However, as Government Members have discovered, when my friends in the Democratic Unionist party dig their heels in, they dig their heels in. I pay tribute to them on this one, because the DUP, and I think the Social Democratic and Labour party as well, said, “No, we are not budging. It must be a default payment.” Do you know what? It was. It worked. It is the same computer system, folks. The previous Secretary of State—the one who has just gone—kept saying, “It is much more complicated, you can’t just change it.” Do they use a different computer in Northern Ireland? I do not think so, because as we all know, they are part of the United Kingdom.

The other thing that the Stormont Government negotiated was payments every two weeks. The percentage of rent arrears in Northern Ireland for people on universal credit is almost zero. In England, as we all know from our constituency surgeries, we have section 21s in the private sector coming into our offices and saying, “That’s it, we are pulling out of universal credit. We’re not going to touch it.” Meanwhile the local authorities, housing associations and councils, which are under tremendous stresses and strains at the moment, are asking where all these additional people are going to go.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): The hon. Gentleman is making a good speech with some considered suggestions for the Government. On the point he has just made, does he also agree that landlords who are fearful about delays in people accessing universal credit might actually have a wider problem with renting not just to people on benefits but to people on lower incomes who they fear might need to receive benefits in the future? That will not be very helpful when, in most constituencies, one in five houses is in the private rented sector.

Stephen Lloyd: I thank the hon. Gentleman for that intervention and welcome him back. I agree entirely, because universal credit is just one area. It is one side of the impact of what has been an ill-thought-through policy.

Wera Hobhouse (Bath) (LD): I thank my hon. Friend for securing this important debate. Is it not important that the Government take away the freeze on the housing allowance cap, in order to make sure that housing
benefit reflects market values, because otherwise the benefit does not keep up with the market value of the private sector?

Stephen Lloyd: My hon. Friend makes an important point. I think that is something that needs to be considered, particularly as regards the further caps that have come in over the past couple of years. I think those are unsustainable.

Melanie Onn (Great Grimsby) (Lab): Has the hon. Gentleman given any consideration to the issue of 18 to 21-year-olds who are on universal credit and have no recourse to any funding for the housing element? Very often they will be on a lower wage, as obviously the minimum wage for younger people is lower than that for people over 25. There are big issues for the sector and I think it will ultimately end in a rise in homelessness among that group. Does he agree?

Stephen Lloyd: I agree. As regards that particular age group—unless they have some sort of bank of mum and dad—in our surgeries we are already seeing that young people are tremendously adversely affected, both by the lack of housing benefit at that age, and, frankly, some of the issues around universal credit.

Another issue that has not been properly addressed, and I would welcome hearing about this from the Minister, is that there is a portal for public sector housing and councils and housing associations to access as regards people in their area, or their tenants, going on to universal credit, but there is not one for the private sector. I urge the Minister not to tell me that there is, if she has been told that by her civil servants, because I have been told by all the residential trade associations that there is not, or it is not working.

At the risk of misquoting Tony Blair, who kept saying, “Education, education, education,” I want to talk about evidence, evidence, evidence. All those years ago, when I and others first challenged the then Secretary of State, the right hon. Member for Chingford and Woodford Green, in the Work and Pensions Committee, saying, “You must understand, if you retain the original plan, which is that all the money goes to the tenant and the tenant pays the landlord, it will be an absolute disaster,” I did not have evidence. I just had a hunch, based on years of experience dealing with thousands of people. I just knew that, as did many others. Where are we now? We are five or six years down the line, and I want to provide some evidence.

In the past 12 months, the RLA reports, one in three landlords has attempted to evict a tenant; 60% were due to rent arrears, and the majority of those were on universal credit. This means not only unnecessary suffering for tens of thousands of housing benefit recipients, but it poses a threat to the future of benefits claimants ever succeeding to rent in the private sector, because once a tenant has a bad record, it is extremely difficult to unwind.

Secondly, a recent study carried out by the RLA shows that almost 87% of landlords would not be willing to let their properties to claimants of universal credit, while 38% have already experienced universal credit tenants going into arrears. Where are we going with this madness? I remind everyone of the percentage of rent arrears among those on universal credit in Northern Ireland. A recent study commissioned by Crisis—a homelessness charity—and the Joseph Rowntree Foundation found that 90% of local authorities were concerned that universal credit would increase homelessness, which it has, because of section 21s. The list of evidence goes on and on.

The RLA has found that 73%—Minister, these are the facts, the stats and the evidence—of its thousands of members, “lack confidence in renting to tenants on the Credit due to uncertainty that they will be able to recover rent arrears.” Another major landlords’ trade association, the National Landlords Association, found that only one in five of its members would let their properties to tenants on universal credit. I have already talked about Crisis. The trade association for letting agencies, the Association of Residential Letting Agents, which many hon. Members deal with, found that “34% of ARLA Propertymark letting agents who we surveyed told us that they had seen a reduction in landlords renting to Universal Credit claimants.”

The list goes on and on, so it is time to fix it.

This is what I propose to the Government. I am delighted that the Chancellor of the Exchequer listened to me, the MP for Eastbourne, and made those amends in the Budget. I suspect that a few others probably had a little more influence than me; but, heck, like all politicians, I have been banging on about it for years so I will take the credit. So there have been some adjustments, but where do we go next? I ask the Minister to report back to the new Secretary of State, with whom I worked in coalition and whom I congratulate on her position, and persuade her to go to the Chancellor and do what it takes to make defaults to landlords, by mutual tenant-landlord agreement, automatic; and to go over to Northern Ireland, see their minority Government colleagues in the DUP; find out exactly what their computer programme does that allows colleagues in Northern Ireland to do automatic default payments, follow their two-week advice—I would do the same on that—and implement it across the country.

I believe that what would happen is that the housing stock capacity in the private sector would go up exponentially—even potentially double—because of what I mentioned earlier. Despite the challenges with tenants sometimes being on benefit, the prejudices that landlords sometimes have against them are often founded on the reality that landlords do not feel secure that they will receive the money. I am absolutely certain that if landlords know that they will get a default payment, over a couple of years there will be a substantial increase in the amount of private rented stock available to people on universal credit, and that could make a significant difference in reducing homelessness.

There is an opportunity for the Government. Despite the ideological and fundamental errors that underpin some elements of universal credit, finally, after years and years of banging on the door, they are beginning to change. Thank heaven! Now that door is open, the Minister and her Government have an opportunity to be game changers and to convert universal credit into what I believe it always should have been: a decent benefit. One of the key things they have to do is around the default payment, which I have debated this morning. Along with that—is this my other favourite—I would go to the current Secretary of the State at the DWP and
ask her to have a word with the previous MP for her constituency, the former Chancellor George Osborne, and ask for the £3 billion back. He took that out after 2015, when the Liberals were defenestrated at the election; he slashed £3 billion a year out of universal credit, which was supposed to be about the work allowance.

If we get that money back and properly convert what should be a default payment to landlords, we can produce what universal credit should have been, and was originally designed to be: a progressive, positive benefit that gives people transformative opportunities. After five years of it being a complete car crash in so many ways, I believe that the Government finally understand that. I urge the Government to make my day and, possibly, that of the former Secretary of State, the right hon. Member for Chingford and Woodford Green, and to make automatic payments as a default to landlords. I ask that they do it instantly, they do it in both the private and public sectors and they do it now.

9.54 am

Peter Aldous (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing the debate and the Backbench Business Committee on granting it.

The full roll-out of universal credit in Lowestoft in my constituency commenced in May 2016. Significant problems were encountered from the outset, although from early 2017 the Department for Work and Pensions has worked more closely with local organisations to address them. The situation has improved and the proposals announced in the November Budget are very welcome. One area in which work is still required is the co-ordination of universal credit with housing in both the social and the private rented sectors. Good housing is a vital prerequisite if universal credit is to be a success, and it is important that the role of private providers is properly recognised.

The main problem that was encountered was that the delays in the paying of universal credit led to rent arrears building up. This triggered a downward spiral of events, with landlords often serving eviction notices, albeit reluctantly, leading to an increase in homelessness, added pressure on local authorities and housing associations to house those who had been evicted and subsequently a reduction in housing as private landlords decided not to let to universal credit claimants.

Vicky Foxcroft (Lewisham, Deptford) (Lab): On that point, I had one couple who received no benefits for six months and were very nearly evicted. At the end of it all they were told that they would receive only four weeks’ backdated payment, and it was only when we intervened in the case that we managed to get the full amount back to them. This absolutely has to be looked into.

Peter Aldous: The hon. Lady highlights an example of the problems with implementing universal credit that many of us have experience of from our constituency casework.

Melanie Onn: In October, the housing association Shoreline in my constituency had 182 residents who were already on universal credit, and 80% of them were in rent arrears. Such examples create a stigma against people who are on universal credit, because of those issues. Fundamentally, we have to iron out some of those problems to prevent people from getting into arrears and to give private landlords confidence that those people will not be defaulters or bad debtors when paying their rent.

Peter Aldous: Yes. It is quite clear that private sector landlords’ confidence in the system has been very severely dented. I sense, from my own perspective, that the situation has improved, but I acknowledge that there is still a great more work to be done. Local letting agents advise me that the majority of their landlord clients are still reluctant to let to universal credit claimants. It is also necessary to bear in mind that many landlords own only one or two properties and the rents that they receive are a very important part of their annual income.

The Eastern Landlords Association, which has 1,400 members, highlights the lack of a level playing field, with council and housing association landlords able to secure direct payments after eight weeks’ arrears while private landlords need specific tenants’ approval to do so. This is still proving a disincentive to private landlords to let to universal credit claimants; as we have seen, many of them have lost confidence in the system. It highlights the need for better communication with the DWP and describes the system of claiming alternative payment arrangements online as “hit and miss”. It advises that while some claims do get processed, in its experience at least 50% do not get looked at.

The roll-out of universal credit is a mammoth task. There is a lot of heavy lifting to be done, which the DWP cannot do on its own. There is a need for a partnership approach, which should involve private landlords as well as councils, the local voluntary sector, such as citizens advice bureaux, and housing associations. To give credit to the DWP, under the guidance of my hon. Friend the Member for East Hampshire (Damian Hinds)—perhaps I should say my right hon. Friend; I wish him all the best in his new role—it has begun to adopt such an approach in recent months, and I anticipate that the Minister will continue in the same way. It is important that full consideration is given to the Residential Landlords Association’s recommendations and to the innovative proposals from Crisis to adapt the Newcastle trailblazer for reducing homelessness to ensure that those in receipt of universal credit do not fall into rent arrears.

In Lowestoft, three suggestions have been made. First, in each DWP office, the Government should have a landlord liaison officer for landlords to contact to discuss issues with their tenants’ housing claims, when the landlord has applied for an alternative payment arrangement. Secondly, housing money should not be released to a tenant when they are being sanctioned, as they often choose to use the money to support the sanction shortfall. In effect, that means the landlord is penalised. Finally, when a sanction does happen, the housing money should automatically be paid through an alternative payment arrangement to the landlord.

A lot of people wish to speak in this debate, so I will conclude by saying that if universal credit is to be a success and to do what it says on the tin, it is important that the DWP listens to the proposals that I have outlined,
Several hon. Members rose—

James Gray (in the Chair): If hon. Members wish to speak, they ought to stand up. If they do not stand up, I will not call them—but I call Tracy Brabin.

Tracy Brabin (Batley and Spen) (Lab/Co-op): It is a pleasure to speak under your chairmanship, Mr Gray. I thank the hon. Member for Eastbourne (Stephen Lloyd) for securing this important debate.

As a young child, my father was out of work for quite a long period and we could not pay the mortgage. My mum handed the house keys to the building society and for several hours we were physically homeless until the council found us a flat. That experience has stayed with me all my life. I will always be grateful to the council for saving us, because being homeless is not about being physically on the street. It is about people not having a permanent roof over their head, and that is something that all children should be entitled to.

Although the Labour party supports the idea of universal credit, sadly—as we have seen in our constituencies—the Government’s wilful determination to roll it out, glitches and all, means that some of the most vulnerable people living in the private rental sector are at risk of building up rent arrears to such a point that they are evicted and made homeless. That is something that, in particular, no child should be entitled to.

David Simpson (Upper Bann) (DUP): Northern Ireland has been mentioned. When we were negotiating with the Government, we were concerned about people living with mental illness, people living with disabilities and single parents. That was a major issue in helping us to come to the conclusion and agreement we have in Northern Ireland.

Tracy Brabin: I totally support what the hon. Gentleman says: this is about not just families, but people with extra needs. Single parents in particular are most vulnerable to bullying landlords.

Jessica Morden (Newport East) (Lab): Gingerbread states that two thirds of single parents rent privately, and from my casework, I know that that group of people and the children that they support is particularly hard hit.

Tracy Brabin: Gingerbread is a fantastic charity. In my constituency, a young woman came to me who was being bullied by her landlord in all sorts of ways because of her inability to pay her rent. Single women living with children are incredibly vulnerable to that.

The ending of an assured shorthold tenancy agreement with a private landlord is now the primary reason for families presenting themselves as homeless to the local authority. The pressures on local authority housing could not be more severe. In Kirklees, for example, there are currently 9,700 applications for only 171 properties. It is a priority for all of us to support the private rental sector as universal credit is rolled out, if we want to lessen the burden on local councils. But this problem will not go away any time soon. The number of working households claiming housing benefit in the private sector has more than doubled since 2009, whereas the wages of some of the lowest paid in our society have stagnated. DWP figures confirm that only 7% of private renters are actually unemployed and seeking work. Sadly, although the Joseph Rowntree Foundation found that the private rental sector has grown by a third over the past 12 months, the number of those being evicted has also grown, with 7,200 more private tenants losing their homes in 2015 than in 2003.

Melanie Onn: My hon. Friend’s point is incredibly important. The Joseph Rowntree Foundation has been working with the Cambridge Centre for Housing and Planning Research, and they showed that in 2015, 80% of private sector evictions were no fault evictions. That resulted in individuals going to local authorities, but perhaps being considered as people who had made themselves intentionally homeless. Does she agree that that creates a huge difficulty in the system?

Tracy Brabin: The idea of people making themselves intentionally homeless is a huge problem for a number of my constituents. It affects their credit rating and rolls on into the rest of their lives in a really unacceptable manner.

The greatest concern for landlords is the move away from direct payments. Many worry that tenants will not have the capability to budget effectively and will end up spending the housing element of universal credit on other essentials. In the debate last year on UC, the Government argued that delaying payment for rent was the same as those in work being paid at the end of the month, so the delay was a good lesson in budgeting and responsibility. Well, maybe for middle-class families with savings or relatives with cash to see them through a tricky financial patch, but when—as the English housing survey discovered—66% of private renters have no savings, the ability to budget is not so straightforward.

After the Budget, the Residential Landlords Association did a snap survey, which found that 36% of landlords would have more confidence in letting to tenants on universal credit. Sadly, 64% said they would not. I suppose their caution is not surprising, given that the RLA reported a high rise in rent arrears where universal credit has been introduced. The National Landlords Association chair agreed, saying that they expected to see “a steady decline in landlords being willing to rent to benefit claimants in the next 18 months to two years.”

Only 18% to 20% of private landlords accept tenants who pay their rent with local housing allowance. That is down from 46% in 2010-11. Why? Because universal credit encourages tenants to fall into arrears, and 38% of landlords have seen tenants in receipt of UC entering rent arrears. In Kirklees Council—my constituency council—437 claimants are on universal credit, with further roll-outs scheduled for later in the year. Some 82% of those are in arrears, to the tune of seven weeks’ rent on average, whereas before going onto UC, the figure was 5.1 weeks in arrears.

Landlords do not want to evict tenants, because it costs £1,800 to end one tenancy and start another. They want the security of knowing that they will have their
rent paid regularly, in a timely fashion. Although bad and greedy landlords have given the sector a bad press, a substantial number of landlords in the private sector are hard-working and understanding. They often have only one property to let out as a contribution to their pension, or as a way of saving for the future. In fact, two thirds of landlords are basic rate taxpayers and are not on high incomes. However, although they are sympathetic to tenants, they know that they too would fall into debt if the rent was not paid.

In conclusion, it is vital that we pause and fix universal credit, ensuring that families are not made homeless due to delays in the system. More widely, we must also increase the number of affordable homes that are available. Only by increasing the numbers of affordable homes being built will we reduce waiting lists, keep rents low and keep families in private rental housing to ease the burden on councils, supporting them to provide excellent social housing for the most vulnerable in our communities.

10.8 am

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing today’s debate. What we are debating this morning is a serious component of the debate around universal credit, and it is right that we dedicate appropriate time to its consideration.

Colleagues from all parties and of all positions on universal credit will have been as concerned as I was to read research conducted by the National Landlords Association in the second quarter of last year that found that only 20% of UK landlords surveyed say that they are “willing to let to tenants in receipt of housing benefit or universal credit”.

That comes on top of evidence received in September last year by the Work and Pensions Committee, on which I serve, from the Residential Landlords Association, which stated that 38% of the landlords surveyed said that they were having issues with tenants receiving universal credit going into rent arrears. The same survey found that almost a third of landlords had, in the past year, evicted a tenant in receipt of housing benefit, and that more than two thirds of the evictions had taken place due to rent arrears. That is obviously very worrying and undoubtedly gives Members of Parliament cause for concern.

It is important to recognise that these are not in every case new problems created by universal credit. Many tenants in receipt of housing benefit have been paid housing costs directly for a very long time. Around 70% of housing benefit claimants in the private rental sector have had their housing benefit paid directly rather than to a landlord. The housing element of universal credit is paid in exactly the same way. If people need extra support, their rent can be paid directly to landlords through alternative payment arrangements, and budgeting support can be made available. Claimants whose housing benefit was previously paid directly to a landlord will be offered that option automatically. However, as we have heard in the debate, there are issues with the system. Improvements can be made, and I believe that they should be.

Since the beginning of the universal credit roll-out, the DWP has proven that it is taking a “test and learn” approach, slowly and steadily rolling out the system while fixing and replacing problematic elements. That is why the Government have scrapped the seven-day wait, extended the deadline for repayment of advances, made advances easier to obtain and ensured that all DWP headlines are freephone numbers. For tenants, the DWP has taken numerous steps to prevent claimants from falling into arrears, including improving the processes for verifying housing costs and improving the support given to work coaches in jobcentres so that they can resolve housing issues as they arise.

The Government continue to work closely with landlords, local authorities and other organisations to ensure that claimants are supported. Crucially, it must be noted that when a private sector landlord asks for managed payment of rent to be arranged, it can be done on the provision of documentation evidencing two months of rent arrears. That should prevent unnecessary evictions on grounds of rent arrears, and I hope it does.

It is right that we should debate these issues today; they are incredibly important for our constituents. However, it is also right that we should recognise how cautiously and sensibly the DWP has moved throughout the entire roll-out of universal credit.

Wera Hobhouse: Will the hon. Gentleman give way?

Andrew Bowie: I will not, because there are many speakers to come and we are short on time.

The Government have listened to concerns brought by Members and the Work and Pensions Committee, and have acted on them, where necessary, in a calm and considered fashion. I have full confidence that that will continue as we debate the issues surrounding the private rented sector.

10.11 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Mr Gray. Normally, I would talk about the differences in my constituency—I might go on about it being vast, remote and so on—but my constituency faces absolutely the same issue as the rest of the UK. For example, I had a conversation with a private landlord just the other day who owns quite a lot of property. I suggested to him that he might like to give accommodation to people caught in this trap, and he said, “Oh, no, Jamie. I’m running a business. I’m not a charity. I can’t take these risks. I wouldn’t get the rent paid.” That’s for the council to deal with.” That puts in a nutshell the problem that we face of private landlords not wishing to engage. It is true, and it is out there.

As my hon. Friend the Member for Eastbourne (Stephen Lloyd) mentioned, there is a lot of housing out there that we could access. It is absolutely true. Members for any constituency can think of property currently lying empty above shops in town centres. If the right inducements were offered to private landlords, that property could be brought back into the housing market.

For example, one thing that used to work in Scotland was the specific targeting of improvement grants at below-standard or empty properties, which encouraged landlords to invest using the grants and then make the
property available. That worked in the past, and could indeed work in future. As Members have said, it is about encouraging private landlords to engage and offering inducements to make it worth their while, so that they do not see it as the difference between running a charity and running a business.

The man to whom I spoke said, “It’s for the council to deal with,” but as we have heard from other Members, councils are completely stretched. If we consider the amount of housing debt that councils must service and the huge chunk that it takes out of the rents coming in, we can see the trap that they are caught in. It is a point for another place and another debate, but the existence of housing debt among local authorities across the UK is a big problem and a millstone around their necks. As we have heard, the six counties of Northern Ireland are addressing the situation, and it works over there. That seems to be a good example to us all. If we are smart, we will look at how they are doing it, carbon copy it and do the same thing ourselves.

Somebody who is no longer with us either in this place or in this world cast some doubt on what society was. It seems to me that we believe that society as a concept has a role. The idea of direct payments to private landlords for the most vulnerable people is absolutely in keeping with the idea of responsible society. My hon. Friend the Member for Bath (Wera Hobhouse), who has left us now, mentioned that part of the Northern Irish deal was looking after those with disabilities, mental health problems and so on. That seems to me to be exactly what society is about: looking after the most vulnerable because it is part of our collective responsibility as good human beings.

10.15 am

Christine Jardine (Edinburgh West) (LD): It is an honour to serve under your chairmanship, Mr Gray. I thank my hon. Friend the Member for Eastbourne (Stephen Lloyd) for securing this debate on a crucial subject. The two words “universal credit” are becoming feared and disliked in equal measure across this country. In my constituency, we are not due to experience the full effect of universal credit until June, yet already it is having an impact on the private rented sector. The problems that my hon. Friend and many others have warned about now threaten to put further pressure on a housing sector that is already in trouble, and to push vulnerable families into rent arrears and homelessness.

Just yesterday I heard from a constituent who has been given notice to quit their private rented accommodation. They are not in arrears and never have been, but their landlord has decided to sell his properties, influenced by fears of universal credit and the difficulties that collecting rent from people who are not yet receiving money from the benefit system will cause him. I hear daily tales of other private landlords either increasingly excluding those on benefits or simply opting to sell up. As we have heard, 87% of landlords asked said that they would not accept tenants on universal credit.

As my hon. Friend said, we already face a housing crisis in this country: there is a shortage of social housing while tens of thousands of properties lie empty. In Edinburgh alone, there are more than 20,000 people on the waiting list for a house. The figures quoted for Eastbourne and across the country show us that the situation will only get worse. In the six months for which I have had the privilege of serving Edinburgh West in this place, I have already taken part in numerous debates in which the Government have been urged to stop universal credit and rethink how it works. I make no apologies for urging them to do so again. It is simply not working in the way intended. Instead of making the system simpler, it is making it less helpful and supportive and increasing the threat of debt and homelessness. As my hon. Friends have said, there were warnings, and now we have the concrete evidence in the form of the mounting rent arrears of which every hon. Member has spoken. Private sector landlords have little or no faith that they will continue to receive payment.

I suggest that it is time to act. It is a problem for which a solution is already in place: default payments. Why can we not simply pause and get the Government to re-examine the issue to allow payments to go directly to landlords to reassure them, and to ensure that our constituents continue to have roofs above their heads?

10.18 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Mr Gray. I thank the hon. Member for Eastbourne (Stephen Lloyd) and congratulate him on securing this debate. I was happy to co-sign his request to the Backbench Business Committee, and I am aware of the issues.

I will make some generic comments at the beginning, and then I will refer to Northern Ireland, as other Members have, and what we are doing there. We in Northern Ireland face the issue of how people can pay regularly for their rent in private accommodation. Every day, every week and every month, it is an issue in my office. Where there is a dearth of Housing Executive properties and housing association properties, people must go to private rented landlords for accommodation. There are approximately 4,000 people on the housing list in my constituency. They are in different categories, but around 1,000 of them are priority, which gives an idea of the housing need. The population is growing continuously, so we need to build above and beyond need to catch up. That is some of the background to the problems. As a result, there are not enough houses for the people who apply for housing, so they look elsewhere.

Rents in housing sector properties in Northern Ireland are between approximately £375 and £400—housing association rents are a bit higher again. In private accommodation outside the Housing Executive, people can pay anywhere between £500 and £600. Who pays that difference? The tenant. In some cases, the tenant is unable to pay and can apply for a discretionary payment that helps to meet some of the deficit. That lasts for a year and then they have to apply again. If they are successful, they have another year of a discretionary payment that enables them to pay their rent. I understand that such comments may be helpful to the debate.

A large proportion of people who live in the private rented sector are single parents under financial stress. We must be ever mindful of those people and how we address this issue. For them, finding the balance from minimal financial resources is an increasingly large problem. That is why this debate is so important. I spoke to the Minister beforehand and I am sure that she will be responsive to the concerns that we have all
expressed. I want to be helpful to her in referring to some of the things that we are doing in Northern Ireland.

Landlords are faced with real problems. How do they continue to serve people who want private accommodation and work within the Government’s system at the same time? The Government have set moneys aside to increase targeted affordability funding by £40 million in 2018-19 and £85 million in 2019-20. Does that address the issue? From what hon. Members from the mainland have said in this debate, I would gently suggest that it does not. We look to the Minister to see how we can address the problem on the mainland.

The National Landlords Association has furnished me with some correspondence. The result of those problems is that landlords sell their property, and we have more people in poverty and more people seeking accommodation. We have heard about larger numbers of families living together in cramped accommodation. Debt continues to be the problem. In Northern Ireland, we have carried out legislative change. I suggest that the Minister looks at that as a marker of how we could do it better.

The fact is that 4.8 million people or 1.9 million privately renting households are entitled to less housing benefit than before the 2011 reforms. The average decrease is £19 per household per week. The figures show that people in the low-income bracket are suffering most. We need to do something in relation to that.

The National Landlords Association quarterly landlord panel states:

“Just two in 10 landlords...are willing to let to tenants in receipt of housing benefit or universal credit”.

That leaves eight landlords who are not prepared to. It is now less than 20%, which is down from 34% in 2013. I am sure the Minister has the background information that came from the Residential Landlords Association, which makes 16 recommendations. I suggest that those recommendations indicate a way and a methodology to address the issues.

My hon. Friend the Member for East Londonderry (Mr Campbell) made a succinct and important intervention. His comment was very salient—I leaned across and said, “Well, that’s my speech nearly over now”. He is a very modest person, but he was on our party’s committee and Northern Ireland that brought forward legislation in Northern Ireland to make a difference. He can take some credit for the changes there, as can our party. It is only fair that we put that on the record and give him the credit that he deserves.

We have legislation in Northern Ireland that clearly encapsulates what we are trying to achieve for everyone in the United Kingdom. Respectfully, if the Minister wanted to put in place something that would be suitable for the whole of the United Kingdom of Great Britain and Northern Ireland, she could do no better than replicate the legislation and the terminology that we have in Northern Ireland. That will address many of the issues that the hon. Member for Eastbourne raised and that other hon. Members and I have tried to address in our small contributions.

10.25 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship once again, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing this important debate. It is vital that universal credit failures and the opportunities to fix them are highlighted to the Government at every opportunity, in the hope that they might listen.

The hon. Gentleman spoke eloquently about the problems with payments to claimants, which we raised with the UK Government when the Highland Council was a pilot area in 2013. [Interruption.] I hear my former council colleague, the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone), agreeing from a sedentary position. This is a cross-party issue, which I will come back to later. The hon. Member for Eastbourne also spoke about the problem with ideologues. I agree that there has been a continued failure to listen. I hope that that will change and that we will get a more positive response from the Minister about actions that could be taken. I will give some examples later on.

Jamie Stone: I return to my vast and remote mode. One of the warnings that the hon. Gentleman and I and others put to the Government was that the sheer rurality, distance and sparsity of population would present a special challenge when trying to get private landlords to let property.

Drew Hendry: I agree.

The hon. Member for Batley and Spen (Tracy Brabin) spoke eloquently about the issues that she has witnessed. She talked about universal credit being rolled out, glitches and all. I would go further—we are seeing more than glitches in the roll-out of universal credit. I have witnessed it for nearly five years. These are systemic issues. She mentioned that no child should have to experience these effects, which is absolutely right. This is about the people and their families who are affected in their homes. That hits home the hardest when people come to us with the personal stories of suffering they are enduring. That is when we understand why the Government have to listen and do something about it.

The hon. Lady also talked about the pressures on housing stock and the need to support the private rented sector, saying that 66% of private renters have no savings. That is true and is reflected in my experience, albeit anecdotally. People do not have the ability to inject their own cash into the system because they do not have any cash—it does not exist.

The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) mentioned that there are problems that need to be fixed. I welcome the fact that we are hearing that around the Chamber. There is a consensus that these serious issues are hurting people.

The hon. Member for Caithness, Sutherland and Easter Ross talked about rent arrears for councils. Again, I refer to what happened in the Highland Council as a result of this problem.

The hon. Member for Edinburgh West (Christine Jardine) has not yet seen the roll-out in her constituency but is aware that a cold wind is coming. Those of us who have experienced it in our constituencies have seen the devastation that it leaves in its wake.
The hon. Member for Strangford (Jim Shannon) made an important point about the price differential between council housing association and private lettings. He asked who pays the difference? If, as we heard earlier, most people do not have private income to fall back on, who does pay the difference? He also made a telling point about the decrease in the already low number of private landlords willing to rent to universal credit claimants, which is backed up in many other pieces of evidence from around the nations of the UK.

Since Inverness was chosen in 2013 as a pilot area for universal credit, we have lived with the problems of a highly dysfunctional system. Originally, the Highland Council engaged with great hope. There was and remains support for simplifying the social security regime. There were too many benefits in the past and it was too confusing. In local and national politics of all colours, people got behind the idea of a system with a lot less bureaucracy and hassle for claimants. If only that had been the outcome. Instead, universal credit in its current form has gradually shown itself to be a failure. Worse, its continued roll-out has had a devastating impact on claimants—not just the unemployed, but working people, single parents, the disabled and even the dying—particularly through the toxic legacy of debt and rent arrears.

The hon. Member for Eastbourne described universal credit as a car crash. It is, and its corrosive effect is not restricted to claimants. Landlords in both the public and the private sector feel a knock-on effect, which squeezes incomes, reduces the supply of rented properties for claimants and chokes investment in new building. We in the Scottish National party have called continuously for the roll-out to be halted and fixed. Like those in Northern Ireland, we will use the very limited powers we have to try to mitigate the impact, as we have done with other matters over the past few years, and inject a little fairness and dignity into the system. However, it remains almost entirely a UK-reserved issue and needs to be dealt with.

I have been a noisy witness in the nearly five years since the pilot, when I was leader of the Highland Council. We have tried every approach to get the Tory Government to listen. I was joined by the political voices on the council—regardless of political colour, if any—to highlight the misery that was gradually unfolding before our eyes. We set out the alternatives, asked for changes and relayed the experiences, the frustrations and the inevitable wider impact that the roll-out would have if it was continued without fixing the problems, yet our voices were not listened to, and now we are seeing the pattern repeating itself wherever universal credit is deployed.

The hon. Member for Eastbourne mentioned the public sector. As a result of universal credit, the Highland Council has seen rent arrears rocketing to around £2 million—a signal of the misery, but also a noose around the neck of investment in housing. Vital resources are being drained from the council as it picks up the cost of the universal credit failure.

According to a recent report by the Residential Landlords Association, universal credit is now the main reason for private sector landlords seeking to evict tenants. We have heard a lot of statistics this morning, but 29% of private landlords have evicted a tenant for universal credit rent arrears and now only 13% of landlords say that they are willing to rent to universal credit claimants at all. According to the RLA, more than 73% of landlords are unlikely to rent homes to someone claiming universal credit, because they are worried that they will not be able to pay.

The Scottish Federation of Housing Associations says that those problems are putting more pressure on public housing; that the administration of universal credit falls short of what its own service standard should be; and that the schedules that associations receive are beset with errors. The federation’s survey found that the standard of communications between the DWP and landlords was erratic, and made worse by the absence of implicit consent in the universal credit full service roll-out. Arrears are much higher among people on universal credit. The federation says that the shortcomings need to be fixed and that a pause is therefore required.

The DWP has not allowed implicit consent, except through MPs. That hampstrains organisations such as citizens advice bureaux and housing associations, meaning that they cannot effectively help claimants to get their entitlements to retain tenancies. The reliance on explicit consent is impractical, especially in rural areas.

There is a growing worry that the design and the benefits of universal credit are not fit for purpose. It should be the objective of any good enterprise, especially a Government, to listen to the experiences of people affected, especially those delivering a service and those who have been asked to partner and make the required adjustments, but neither I nor anybody else in the highlands have witnessed such a willingness to adapt. The problem has spread to other areas. Landlord after landlord, housing association after housing association, council after council, support group after support group and charity after charity have echoed the calls we have made. Every day, new and more troubling examples of hardship and suffering are exposed. Debt and rent arrears mean long-term damage and lasting harm to communities.

Universal credit, in its current form, is designed to create debt by default—it is constructed that way. What kind of Government create the situation where people and families are turned into debtors, with no hope of escape other than eviction, bankruptcy or both? As the hon. Member for Eastbourne pointed out, some welcome changes were made by the Chancellor in his Budget. However, the Chancellor said in his November Budget speech that he wanted to avoid debt for the Government “not for some ideological reason but because excessive debt undermines our economic security, leaving us vulnerable”—[Official Report, 22 November 2017; Vol. 631, c. 1048.] He went on to talk about vulnerability to financial shocks. Well, people are facing financial shocks now because of the shambolic handling of universal credit. It should be halted; the messages should be taken on board; and it should be fixed.

10.36 am

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Eastbourne (Stephen Lloyd) on securing this really important debate. Many valuable contributions have been made, from which it is really clear that people are experiencing real hardship as a result of the impact of universal credit on ability to pay rent. The example provided by my hon. Friend the
Member for Lewisham, Deptford (Vicky Foxcroft) clearly demonstrates the effect of delayed payments, and my hon. Friends the Members for Batley and Spen (Tracy Brabin) and for Newport East (Jessica Morden) spoke about the specific difficulties that single parents face in having a secure home.

It really is important that the Government take action to address the problems with universal credit in the private rented sector. Approximately 5 million households—just over 20% of the total—are in private rented accommodation, and a quarter of those are families with children. That figure is predicted to rise to just under a quarter of all households over the next five years. Some 1.2 million households currently receive housing benefit in the private rented sector, one third of which are in low-paid work and require support to help top up their rent. Prolonged delays in receiving an initial payment of universal credit have led to many claimants being in rent arrears and at risk of eviction.

The Residential Landlords Association has reported that landlords have become increasingly reluctant to rent to universal credit claimants—basic rate taxpayers not on high incomes, claimants being in rent arrears and at risk of eviction. Newcastle City Council is spending more than £390,000 of its own money to support people affected by the impact of universal credit. Councils hit by cuts in funding from central Government are having to set aside large amounts of money to support people affected by the impact of universal credit. Newcastle City Council is spending more than £390,000 of its own resources to support UC claimants, including £88,000 to cover rent arrears; there is more than £1.2 million in uncollected rent across a tenancy base of just 27,000, purely as a result of universal credit. Nearly three quarters of landlords are basic rate taxpayers not on high incomes, so they need rents to be paid on time in order to pay their own bills. That puts increased pressure on the social housing sector and local authorities. Councils hit by cuts in funding from central Government are having to set aside large amounts of money to support people affected by the impact of universal credit.

The Government announced a number of changes in the Budget that were designed to address the problems with universal credit. We welcome them as far as they go, but they do not go anywhere near far enough. For example, from February, the Government are to remove the initial seven-day waiting period, so that the wait built into universal credit at the start of a claim will be five weeks rather than six. That is still too long for people on low incomes, who in many cases are unlikely to have savings to tide them over for that period. According to the English housing survey, 66% of private renters have no savings. We need up-to-date statistics on the timely of payments, so that we know exactly how long people in each local authority are waiting and whether the five-week target is being met. Will the Minister make a commitment to publish regular statistics on this matter, rather than ad hoc releases when it suits the Government?

From this month, it will be possible for someone to obtain 100% of their estimated universal credit as an advance payment, which will then have to be paid back over a maximum of 12 months. However, the maximum advance for people who made an initial universal credit claim in the run-up to Christmas was only 50%, which will undoubtedly have meant hardship for many families.

If it is possible to estimate someone’s universal credit for the purpose of giving them an advance and to pay that advance within five working days, or on the same day when someone is in immediate need, why do universal credit claimants still have to wait five weeks for an initial payment to be made? Again, will the Minister make a commitment to publish regular statistics on how many people ask for advance payments, how many people receive them and the default rates on repayments? Ministers have stated repeatedly that universal credit is designed to mirror the world of work, but with 58% of new claimants who are moving on to universal credit being paid either fortnightly or weekly prior to claiming, it is time for all claimants to be offered fortnightly universal credit payments.

The Government announced that from April they will introduce a two-week run-on between a housing benefit claim and a new universal credit claim. Again, that is welcome, although it will only help people who have already been claiming housing benefit. The Government have also said that they will make it easier for direct payments to be made to landlords. However, it appears that that is principally aimed at ensuring continuity where a tenant whose housing benefit is already being paid directly to their landlord moves over to claiming universal credit. That is positive, but my Opposition colleagues and I would like to see all tenants offered the option of direct payments. For vulnerable people, who need payments to be made quickly, the need to negotiate with the Department for Work and Pensions for direct payment of housing support to a landlord can take time and effort.

Surely all tenants should have the right for payments to be paid directly to the landlord, and not just those who are vulnerable and have difficulty managing their money. Direct payments provide security for landlords renting to people who are claiming universal credit, providing them with the confidence that they will be paid. Direct payments are especially helpful in the case of people who have formerly been homeless. Private landlords may be much more wary of renting to them, and people who have been homeless may not have had recent experience of managing large bills, such as rent.

The DWP has been working with Crisis on a pilot project in Newcastle whereby people who have been homeless or who are at risk of homelessness because of arrears can have their claimant commitment relaxed while they focus on their housing situation, and they are also offered the opportunity to have their housing support paid directly. Will the Minister, as a matter of urgency, consider issuing guidance to work coaches to identify people who may be in rent arrears and proactively offer them direct payment of housing support? Claimants often appear to be unaware that it is possible for this to be done.

Landlords themselves do not appear to think that the changes announced in the Budget are enough. In a survey carried out by the Residential Landlords Association into the reaction of private landlords to the changes to universal credit, 64% of private landlords said the changes did not give them more confidence to let properties to tenants in receipt of universal credit.

Overall, one of the key reasons for arrears is the level of local housing allowance. LHA rates simply have not kept up with sharply rising rents. They were first cut by the coalition in 2011, and then increases were capped at...
At the same time, they are failing to provide housing of the shortage of truly affordable housing that exists. Secure tenancies, landlord licensing and new consumer will also end insecurity for private renters by introducing making sure that work pays and reducing poverty. Labour for genuinely affordable rent or sale; and to reforming wage to £10 an hour across the age range; to building at evicted has also grown; 7,200 more tenants lost their in temporary or short-term accommodation rose from were actually employed. The DWP’s own data show that only 7% of private renters claiming housing benefit are unemployed and seeking work. The rest are either already working on low incomes or are currently unable to work.

Just last week, it was reported that the Stop Start Go charity in Manchester has opened new bedsit accommodation for working people who are homeless because they cannot afford the cost of accommodation in the city. On one night in December, a third of people sleeping at the Booth Centre for the homeless in Manchester were actually employed. The DWP’s own data show that the number of people in work who are being placed in temporary or short-term accommodation rose from 15,500 in August 2013 to more than 22,000 by 2015. Research by the Joseph Rowntree Foundation found that the private rented sector has grown by a third over the last 12 years, but the number of tenants being evicted has also grown; 7,200 more tenants lost their homes in 2015 than in 2003.

Labour is committed to increasing the national living wage to £10 an hour across the age range; to building at least 100,000 council and housing association homes for genuinely affordable rent or sale; and to reforming universal credit so that it meets its original principles of making sure that work pays and reducing poverty. Labour will also end insecurity for private renters by introducing controls on rent rises, as well as introducing more secure tenancies, landlord licensing and new consumer rights for renters. That is the real way to make work a route out of poverty and to reduce the need for people to claim housing support.

The Government simply refuse to recognise the scale of the shortage of truly affordable housing that exists. At the same time, they are failing to provide housing support at a level that will at least enable people to cope with the consequences of Government inaction and to meet rising rents. In the Budget, the Chancellor conceded: “House prices are increasingly out of reach for many”. Yet he offered more of the same on housing. There was no new Government investment in affordable homes and nothing for private renters. The need for someone to have a roof over their head—a home where they can bring up their family—is a basic human need. By 2021, it is estimated that some 7 million people will be claiming universal credit, more than half of whom will be in work. Where will they live if their wages do not cover their rent and housing support does not make up the shortfall? It is time for the Government to heed the warnings from landlords, the voluntary sector and Opposition Members, and to pause and fix universal credit.
in the private rented sector. If private landlords want housing benefit to be paid directly to them, they need to ensure that the relevant criteria are met, which are broadly the same as those for a request for direct payment under universal credit.

What has changed is that universal credit is assessed and paid monthly, to replicate the world of work, as we have already heard. Our ambition is to create a welfare system that encourages people to take greater responsibility for their finances, so that they are ready and prepared to move into the world of work. It means that, where possible, we want to encourage and support people to take responsibility for themselves for paying their landlord, but of course we want to ensure that the necessary protections and support are in place to allow them to do that.

We know that the majority of people are comfortable managing their own money. However, for claimants for whom that is not the case, we have put in place support to help them. That is why we have the facility, as I have mentioned, for universal credit to be paid directly to the landlord where appropriate.

The hon. Member for Eastbourne asked for changes further to support private sector landlords and tenants—for example to make it easier for private landlords to have rent paid directly to them by the Department for Work and Pensions. We have always been clear that we will roll out universal credit in a way that allows us to continue to make improvements, as Members will have seen in the Budget before Christmas. We have already made a number of changes to universal credit as part of our engagement with the sector, and we will continue to develop our approach based on the feedback and evidence we collect as we go along. It is important to remember that, by Christmas, only 8% of universal credit had been rolled out, and by the end of January it will still be only 10%.

We have made practical improvements. For example, we have simplified and sped up the process for private rented sector managed payment requests, which can now be done by email and on a single form, with no additional information required, and work is under way further to improve that process in the universal credit full service.

We have also improved and updated the landlord information and have made it easier to find on gov.uk. We have another meeting this month with private rented sector representatives—such meetings happen regularly—and we will check whether they can access the information they need. Members have raised that matter today.

Drew Hendry: On making it easier for people to get information, there is a long-standing call to reintroduce implicit consent, to allow agencies to assist people with their claims. Will the Minister consider such a reintroduction for universal credit?

Caroline Dinenage: We have removed the need for explicit consent. A universal credit claim is the responsibility of the claimant, and implicit consent puts the development of the system at risk. However, it is something that we keep under review.
to have materialised. The evidence shows that the proportion of tenants who are on housing benefit or universal credit has remained broadly consistent for the past 10 years—about 30% of the private rented sector and about 65% of the social rented sector. It would not make financial sense for a business to give up such a large proportion of the market. The way in which universal credit is designed means that landlords would not normally know that a prospective tenant was receiving universal credit. We know that there is anxiety about arrears, which I have addressed, but the fact remains that universal credit is a stable, secure, reliable form of income for claimants and their landlords.

The Department for Work and Pensions regularly engages with private landlords and their representatives. The universal credit team holds quarterly strategic engagement meetings with sector stakeholders, in which it shares the latest updates on universal credit, responds to questions and listens to concerns. Insight from that engagement has already helped us to make numerous process changes to improve interactions with stakeholders. Two examples are the recent changes made to the process for ensuring that managed payments to landlords are put in place where appropriate: treatment under housing benefit and the removal of the need for explicit consent from the claimant.

Department for Work and Pensions staff will continue to work with claimants who have managed payments in place to ensure that they have appropriate budgeting support, and they will remove the arrangements when a claimant is ready. To those private sector landlords who have expressed concerns about renting to universal credit claimants, I say that with the safeguards we have in place, the improved work outcomes that universal credit brings and the personal budgeting support available, such concerns should be groundless.

More attention should be paid to the evidence of universal credit outcomes than to the unhelpful scaremongering of Opposition Members. I can only give in evidence the fact that, in Prime Minister’s questions, the Leader of the Opposition claimed that Gloucester City Homes evicted one in eight tenants—12% of tenants—due to universal credit. That would have been 650 tenants. In fact, it was eight tenants, all of whom had arrears before universal credit was introduced. None of the evictions was as a result of universal credit, and one was because a gentleman had been living in Australia for 18 months.

Universal credit represents a generation-changing culture shift in how welfare is delivered and how people are helped, creating a system that allows people to break free from dependency, take control of their lives, and work. Universal credit picks up from a deeply flawed system and strives to solve problems that were previously thought intractable. In that old system, complexity and bureaucracy so often served to stifle claimants’ independence, limit their choices and constrain their outlook. We have shown with our actions, and have demonstrated here today, that we are listening and learning and are making the changes necessary to implement this historic reform safely, securely and with careful regard to our stakeholders.

10.58 am

Stephen Lloyd: I appreciate the Minister’s response. She is absolutely right that the changes announced at the Budget show that the Government were listening. Some Opposition Members are slightly frustrated though, because we had been making our criticisms for a long time and an awful lot of people had to go through a very difficult period, even possibly losing their homes, before the changes were made. However, this is a step in the right direction and I urge the Minister to continue to press with her colleagues to keep going.

We all know that there is a severe housing crisis across the country. Regarding universal credit and the changes in the default payment, if the Government were prepared to go that one step further, working with the Residential Landlords Association and others, there would be an opportunity to open up significantly the private sector to universal credit claimants. That would significantly reduce the homelessness challenges we face, and I urge the Government to keep pushing.

I am grateful for the support in today’s debate. We all understand that there are good things about universal credit, but a lot of the roll-out has been a car crash. However, it is getting better. I urge the Government to keep listening to us and, most importantly—

Motion lapsed (Standing Order No. 10(6)).
Luton Airport Expansion

11 am

Bim Afolami (Hitchin and Harpenden) (Con): I beg to move,

That this House has considered Luton airport expansion.

It is a great pleasure to serve under your chairmanship, Mr Gray, and to speak in my first Westminster Hall debate on a subject of great interest to my constituents and of importance to the whole region. I thank the Minister for being here to respond to the debate. I wish him all the luck in the world in whatever may transpire in No. 10 later on.

First, let me establish some facts. Luton airport is a rapidly growing airport that currently handles more than 15 million passengers a year. Its passenger numbers have increased by 70% in the past seven years alone. It is owned by London Luton Airport Ltd on behalf of Luton Borough Council, which is also the planning authority responsible for approving any increases in allowed passenger numbers. Luton Borough Council set the limit at 18 million passengers in 2014. In mid-December last year, Luton Borough Council, as owners of the airport, set out a highly ambitious plan to more than double Luton airport’s passenger traffic by 2050, bringing it to roughly 38 million passengers. To give some context, that represents an ambition for Luton airport to manage as many passengers as Gatwick airport did as recently as a couple of years ago, when it was, as it is now, the second busiest airport in the UK.

My constituency, Hitchin and Harpenden, lies in rural Hertfordshire but abuts Luton to the west. The flight path of Luton airport for inbound and outbound planes runs directly over thousands of my constituents—particularly in Harpenden, Wheathampstead, Sandridge and Jersey Farm—causing a great deal of noise and air pollution over the area. In addition, although Luton sits on the M1 motorway, a great deal of the traffic that naturally accompanies an airport handles more than 40,000 passengers a day currently runs through the very rural roads of my constituency to the north and east of the airport. That is near such villages as Breachwood Green, Mangrove Green, Lilley, Hexton and Pirton. Much of that area is in the Chiltern hills and is designated as an area of outstanding natural beauty.

Sir Mike Penning (Hemel Hempstead) (Con): I congratulate my hon. Friend on securing this debate. I am sure he is aware that the flights blight not only the lives of his constituents, particularly in rural areas, but the rural parts of my constituency, particularly the Markyate and Flamstead area. The people who live there are the experts on the issue because they have planes flying over them all the time. They were given categorical promises that as the growth took place, noise mitigation would also take place, and that has not happened. Would that not be a good reason to curb the speed of the increase in flights until the airport has done what it promised to do in the first place?

Bim Afolami: I thank my right hon. Friend for that intervention. To add to his point, which I agree with entirely, it is my case that the proposed expansion of Luton airport to the level of 38 million passengers is first unsustainable and unsuitable for the local area that includes not just my constituency but his and that of my hon. Friend the Member for St Albans (Mrs Main), and secondly—this is a particularly serious point—could undermine trust in government for tens of thousands of Hertfordshire residents because Luton Borough Council owns the airport, receives income from it and yet also acts as the planning authority.

If it is not entirely clear from my comments so far, I am not against airports or Luton airport. I understand the need for and the necessity of a thriving aviation sector, and I recognise—I am sure the Minister will talk about this—the jobs and economic growth that Luton airport brings to the United Kingdom and to Luton. My case, which is supported by the vast majority of my constituents in Hertfordshire, is that the proposed expansion to more than double Luton’s passenger numbers is unsuitable for the local area and unsustainable in the context of the constraints that exist in rural Hertfordshire in particular.

Luton is just not the right place for an airport with a proposed size of 38 million passengers. Topographically, its location on a plateau means that it is closed by fog and bad weather much more frequently than the other airports in the south-east. It has a very constrained footprint compared with Gatwick and Stansted, and the dense polycentric pattern of the surrounding settlements, such as Hemel Hempstead, Harpenden and others, means that many towns and villages are affected by noise and pollution. It is right next door to extremely rural Hertfordshire countryside which has, as we would expect, many small narrow lanes. They are often used as rat runs through to Luton airport. Many of them can take only one car at a time and are already seeing vast increases in traffic as passenger numbers rise year on year. In addition, unlike Heathrow, Gatwick and Stansted, Luton does not have a direct rail link to the terminal, although I recognise there are plans for that.

Furthermore, Luton already has the greatest concentration of air traffic movement in its airspace in the UK, and it is one of the most congested airspaces in Europe. Noise complaints from Hertfordshire residents are already extremely high with the existing traffic of more than 15 million passengers. To give some context, those complaints have increased twenty-two-fold in two years. Night flights also hugely blight the lives of many of my constituents. Over the past two years, the number of flights between the hours of 11 pm and 7 am has gone up 25%, from 12,867 to 16,031.

I believe in giving credit where it is due, so I must thank the Government and the Department for Transport for their recent efforts on noise mitigation, as shown by their commitment to an independent noise regulator to be called the independent commission on civil aviation noise. Once established, I hope that body will help provide much more objective independent guidance on how aircraft noise should be assessed and managed and how that should be used to inform airspace decisions.

The Government’s consultation document states that “it is clear that tensions are likely to arise when airport operations change in a way which affects how local communities experience noise impacts. We want to ensure that there is not a breakdown of trust between airports and their communities.” I submit that the extremely rapid rise in complaints about aircraft noise in Hertfordshire shows that as things stand, trust between Luton airport and residents of rural areas in Hertfordshire is in danger of breaking
down. I believe it will break down completely if colossal expansion plans are rammed through without appropriate consultation with Hertfordshire residents.

Sir Mike Penning: I would go further than my hon. Friend. He, his predecessor, my hon. Friend the Member for St Albans (Mrs Main) and I have been campaigning on the issue for many years. I can only speak for my constituents, but I am afraid the trust has gone already. Promises have been made so many times in the past, and they have never been fulfilled. Instead of trying to work with the communities, the airport makes noise about doing tests and this and that, but when it comes to the crunch, it never fulfils its promises. This is another classic example where there is growth before the mitigation is put in.

Bim Afolami: I thank my right hon. Friend for that. Perhaps it is because I am new—perhaps I am optimistic and generous—but I do agree with him that trust is crucial. Trust between the citizen and Government, both local and national, is one of the most fundamental underpinnings of our or any democracy. Many of my constituents have lost trust in recent council management of the expansion of Luton airport over recent years, as my right hon. Friend describes, and one reason for that is the highly unusual situation whereby Luton Borough Council owns Luton airport and at the same time is the planning authority currently responsible for approving its expansion. I must make it clear for the record that I am not accusing Luton Borough Council of any legal or procedural impropriety. However, there is a significant conflict of interest.

In 2015 the highly esteemed National Audit Office—esteemed not only by the Government and the House; as a member of the Public Accounts Committee I work with its civil servants frequently and they are incredibly capable people—published a report on managing conflicts of interest in the public sector. The report states:

“A failure to recognise a conflict of interest can give the impression that the organisation...is not acting in the public interest and can damage...confidence in government.”

Luton Borough Council’s ownership of Luton airport, which generated a net profit of roughly £47 million in the last financial year, coupled with the huge increase in flight noise for many thousands of my constituents and across Hertfordshire, as I have already demonstrated, as well as with the huge increase in passenger numbers, leaves many of my constituents feeling that Luton Borough Council has one real interest: growing passenger numbers and therefore revenue for its airport. That interest has been pursued without any real consideration for the significant negative impacts on the people of Hertfordshire that I have outlined here today. As one of my constituents put it to me, Bedfordshire gets the gain, and Hertfordshire gets the pain.

So, what shall be done? I propose that the Minister responds to the following points in his response. First, bearing in mind the huge growth proposed at the airport, will the Government confirm that the plans for any future expansion must be approved as a nationally significant infrastructure project submission to the Planning Inspectorate, with the decision therefore no longer being made by Luton Borough Council? Secondly, will the Government act not to allow any further expansion of passenger numbers beyond 18 million without the imposition of much greater conditions around noise concerns, flight route changes, and a much tougher limit on night flights, so that Luton is finally treated like other London airports? Thirdly, will the Government call on Luton Borough Council to provide detailed plans for the necessary infrastructural improvements, particularly on local roads, that will be necessary in Hertfordshire even based on existing passenger numbers, as well as in Bedfordshire, and explain how they propose to fund it?

Finally, will the Government call on Luton Borough Council and Luton airport to work much harder to gain the trust and partnership of Hertfordshire residents, as mentioned earlier by my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning), not only for any expansion of passenger numbers in future, and actively keep future growth in step with mitigation measures and constrain that future growth if necessary?

I thank the House for being so patient with me in my first Westminster Hall debate. I give way to my hon. Friend the Member for St Albans (Mrs Main).

James Gray (in the Chair): You are not giving way. You have completed your remarks.

Bim Afolami: Forgive me.

James Gray (in the Chair): I was about to say that by agreement with the hon. Gentleman and the Minister, both of whom have been informed, I call—the hon. Gentleman does not—Mrs Anne Main.

Mrs Anne Main (St Albans) (Con): It is a delight to serve under your chairmanship, Mr Gray. I pay a huge tribute to my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) for securing this debate so early in his career. As my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) has said, the issue has been rumbling on for a very long time. I will be brief because we need answers from the Minister.

First, I want to pay tribute to STAQS—St Albans Quieter Skies—which does terrific work on noise pollution, and to LADACAN, the Luton and District Association for the Control of Aircraft Noise. When I was first elected in 2005 my postbag was largely untroubled by complaints about aircraft noise, but that is not the case now. I accept, as does my hon. Friend the Member for Hitchin and Harpenden, the ongoing benefits to business and leisure users of having a good local airport with routes that are efficient and least disruptive to residents. My constituents understand the need for air traffic, but feel that the noise burden is not shared fairly or equally.

There has been a 150% increase in complaints since the RNAV—area navigation—route was introduced in August 2015. The RNAV route dictates that easterly departures are directed in a narrow corridor over north St Albans and Sandridge. That change alone, although well-intentioned, has concentrated the pain of noise felt by residents across the affected district. As my hon. Friend has said, Luton airport is owned by London Luton Airport Ltd on behalf of Luton Borough Council. As my residents would point out, that makes it its own judge and jury.
In 2013, Luton council’s development committee voted to permit capacity expansion to double to 18 million passengers, along with a package of planning conditions designed to mitigate environmental impact. The decision was based on promises that quieter aircraft would be gradually introduced. Everything has happened far faster than projected, and the noise mitigation has not made any difference.

I shall cut my remarks short and simply say that I have visited my constituents’ homes and gardens at different times of the day. There is a calculated noise decibel level by Luton airport’s own noise monitoring, which was taken over a 16-hour day and apparently equates to something between a quiet office and a bedroom. Standing in my constituents’ gardens, that is not the experience of the residents. An average over a 16-hour day was given when noise can be felt in different ways. At 6 o’clock in the morning I am aware of the noise far more than at 10 o’clock in the morning when my washing machine and dishwasher are going. So the average masks the true life experience of residents and it is bogus.

My constituents need to know that something will be done as soon as possible. Expansion cannot go ahead if strong protections against further noise pollution are not deliverable and guaranteed. Luton airport cannot keep on being its own judge and jury.

Sir Mike Penning: Will my hon. Friend give way?

Mrs Main: I am sorry; my right hon. Friend has made two interventions and I am already cutting my remarks short.

I want the Government to step in and take a keen and active interest in the future development of this airport. Residents who have had the noise monitoring kit cannot accept that 47 decibels is a true reflection of the interruption in their lives, their sleep patterns, and enjoyment of their own gardens. I therefore ask the Minister to take a real interest in this issue and listen to what residents say.

11.17 am

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) on securing his first Westminster Hall debate. We can safely assume that he could afford a 90-minute debate, given the local interest. I welcome the chance to respond to the points he has made. I sympathise with his concerns and will do my best to answer his points in the time available.

My crash course in Luton airport this morning and learning all about it has revealed that it has seen its 44th consecutive month of growth, with passenger numbers in 2016 16% higher than in 2015. Such growth is clearly continuing. The airport has 13 airlines operating regular scheduled and charter flights and six operating cargo routes. It is a busy major airport that flies to more than 10 million passengers per year are required to follow the development consent order process and move on to the more controversial aspects, one of which is how the Government’s new approach to airspaces will hopefully address some of the concerns that my hon. Friend has expressed. I will come on to that shortly, if I may.

First, I would like to deal with the question raised by my hon. Friend the Member for Hitchin and Harpenden about who will take decisions on the expansion. I understand the concern that Luton Borough Council may take those decisions at the same time as being the airport’s owner. I am more than happy to confirm that, as a nationally significant infrastructure project, it will be a decision taken by the Planning Inspectorate, with reference back to the Secretary of State. Under section 23 of the Planning Act 2008, all airport expansion decisions that seek to increase their planning cap by more than 10 million passengers per year are required to apply to the Government’s new approach to airspaces and are considered nationally significant infrastructure projects. Such projects are subject to Government approvals as part of that process.

My hon. Friend the Members for Hitchin and Harpenden and for St Albans (Mrs Main) both asked what the Government’s position will be regarding any further expansion of passenger numbers beyond 18 million
without the imposition of much greater conditions regarding noise concerns, flight route changes, and the use of airspace overall. We strongly recognise that noise disturbance from aircraft is of concern to local communities, and can be more pronounced at a time when an airport is experiencing growth. I know that the airport is already looking at trying to implement a higher performance-based standard on its westerly departure route heading to the English south coast. The main purpose of that measure is to reduce the overall noise impact of the route, including near the village of Sandridge—a particular hotspot for noise complaints. I understand that it may be consulted on later in the year. I urge hon. Members to engage with the airport to ensure that that occurs.

The Government’s role is to ensure that the right balance is struck between the environmental impacts and the economic and consumer benefits that aviation growth can deliver. All three Members who have spoken recognised that there are both benefits and negatives to having an airport in close proximity. We believe that noise is best managed at a local level and that Government involvement should be limited to strategic decisions. It is worth bearing in mind that Luton airport’s existing noise restrictions, set at a local level, are on the whole stricter than those set by the Government for the three designated London airports.

In line with the Government’s airspace policy published in October last year, any proposed flight path changes as a result of expansion will have to go through an options analysis. That will enable communities to engage with a transparent airspace change process and ensure that options such as multiple routes are considered for noise mitigation. That is a fundamental change in how we approach the concerns Members have expressed today. For example, there will be new metrics for assessing those impacts, including impacts on health and quality of life. There will be a new call-in power for the Secretary of State, applicable in airspace changes of strategic national importance, which provides, in my view, a democratic backstop for which communities have been calling. There will also be changes to compensation to ensure that impacts are properly reflected in what local people receive.

In addition, the Government have committed to establishing an independent commission on civil aviation noise to ensure that the noise impacts of airspace changes are properly considered, and to give communities a greater stake in noise management. As my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) pointed out, the people who live under the flight path are the experts. I always believe that we should listen to the experts when formulating policy. As somebody who grew up under the flight path from Manchester, I am more than aware of what it can be like to have planes overhead continually. The policies that we have introduced address the impacts of noise for those living underneath flight paths; will enable airspace modernisation; will give the opportunity to make the most of quiet and modern aircraft; will provide more predictable periods of relief from noise; and—critically in the south-east—will reduce the need for stacking.

My hon. Friend the Member for Hitchin and Harpenden made a point about asking for further information from Luton Borough Council on its plans to help to fund and support local infrastructure. The Government have set out the framework through which airports can plan for and lead improvement, growth and expansion, critically including surface access. Central to that is the fact that the airport is best placed to lead on surface access issues, including proposed infrastructure developments for the airport, in partnership with local enterprise partnerships, local authorities, business groups, passenger groups, and critically local communities. The current aviation policy framework recommends that each airport develops its own surface access strategy in collaboration with those stakeholders, and sets them out in an airport master plan and associated surface access strategy. The new aviation strategy on which the Department is consulting will ask how the Government can support the planning and delivery of improved surface access to meet passengers’ needs.

Passengers travelling to Luton airport by rail will benefit from the brand new light rail system, due for completion in 2020. That new £225 million rail link will replace the existing shuttle bus service and provide a direct link from Luton Airport Parkway station to the airport terminal. At Luton airport, the Government have also funded improvements connecting the M1 spur to the wider motorway network at the £30 million new junction 10a, helping to reduce congestion. Furthermore, and perhaps most pertinent to the points that my hon. Friend made, the south-east midlands local enterprise partnership has also secured more than £21 million of funding to improve local road access for passengers and for planned development around Luton airport.

My hon. Friend’s final point was one raised by all hon. Members: the importance of rebuilding trust between airports and local communities, not just regarding the expansion of passenger numbers, but more generally, addressing historical issues. I understand that the publication of the vision document by the airport owner—that is, Luton Borough Council—is the first step in quite a lengthy process. The council will have to undertake further consultations with local communities in both Hertfordshire and Bedfordshire, and with other stakeholders this year. That will include the airport operators as well. The plan is not theirs, but the council’s—the airport owner, as opposed to the operators.

We recognise that those who live closest to airports bear a burden of the costs. The Government’s current policy objective is to encourage the aviation industry and local stakeholders to strengthen and streamline the way in which they work together, particularly at local level. The airport is already actively engaging with its local community, both directly and through the statutory London Luton Airport Consultative Committee. Furthermore, I assure my hon. Friend that projects subject to the development consent order process as well as local planning processes have to go through multiple consultation stages, during which his constituents and other stakeholders will be welcome to interact and have their say. That will be a new process for Luton airport, which has not had to go through that before.

In conclusion, we are committed to building a successful aviation industry, which is why our strategy is designed to look forward as far as 2050. We have to put the passenger at the heart of that, but also to ensure that we address the needs of the wider industry as well as the communities around the airports. I hope my comments today reassure my hon. Friend on some of the key points, and will perhaps give him some further avenues to pursue in working with the airport to improve the...
lives of people in his community, and those of other hon. Members. I thank everyone for their attendance and attention.

Question put and agreed to.

11.28 am

Sitting suspended.

2.30 pm

Ian C. Lucas (Wrexham) (Lab): I beg to move, that this House has considered changes to the Independent Living Fund.

It is a real pleasure to have you chair the debate this afternoon, Mrs Main, on the extremely important subject of the independent living fund. The subject is perhaps not discussed as much as it ought to be. It is a very complex area, relating to a fund where there have been profound changes in recent years, affecting some of the most vulnerable members of our community. Fundamental changes have occurred that we need to assess, as one of the things that this House does least well is to revisit changes that have taken place to see whether they are having a positive or negative impact on those affected.

I am grateful to the House of Commons Library for its excellent debate pack and for helping to clarify some of the complex issues in this policy area. At the outset, I would also like to say thank you to my constituent, Nathan Davies, an independent living fund recipient whose circumstances I will talk about during the context of the debate. I have great admiration for him. He is very concerned about the current state of the independent living fund in Wales and its future development.

It is important at the beginning to set the scene and to set out the background to the recent changes to the independent living fund. The fund was first set up in 1988 with the express and very worthy purpose of helping disabled people to continue to live out in the community and to contribute to society generally.

Jessica Morden (Newport East) (Lab): My hon. Friend is quite right to talk about the importance of the independent living fund to his constituent. My constituent Richard, who is also a recipient, told me, “Words cannot really do justice to what the ILF means to me. It is like oxygen. It allows me to get out and about and not to be isolated—to live the best life I can.” Does my hon. Friend agree that gets to the crux—

Mrs Anne Main (in the Chair): Order. Interventions should be very brief, please; this is getting rather long.

Jessica Morden: Does my hon. Friend agree that that gets to the crux of just how important this debate is?

Ian C. Lucas: My hon. Friend and her constituent eloquently set out the importance of the fund. It gives freedom to individuals in receipt of funds to carry out what they want to do in their lives and to contribute broadly to their community.

The fund stayed open to new applicants until 2010 and was then closed. It operated across the UK until June 2015, when it was formally closed. Funding was devolved to English local councils and to the Scottish, Northern Ireland and Welsh Governments. The devolved Governments have pursued different policies on the fund. The Scottish Government set up Independent Living Fund Scotland, and my understanding is that the Northern Irish Government’s funds are also administered through that Scottish body.
Patricia Gibson (North Ayrshire and Arran) (SNP): Would the hon. Gentleman agree with me, and many disability rights groups, that when the decision was made in 2010 to close the fund to new applicants and restrict it to people working 16 hours or more, that signalled the signing of its death-warrant?

Ian C. Lucas: What it did was create a situation that was not sustainable in the long term. Clearly, individuals who ought to have been entitled to support from the fund were not able to access it simply because of when they were applying. So we needed to put in place a different set of circumstances after 2010.

This is a difficult issue, particularly in cash-straitened times. For that reason, the can was kicked down the road from 2010 through to 2015. The decision made in 2015 was, in my view, a hospital pass from the UK Government to other institutions, whether they were devolved Governments or local councils. Budgets were transferred, but they were closed budgets, which had been restricted since 2010. A group of people who became entitled after 2010 were not gaining access to funds. That was not sustainable and had to be addressed by those bodies now responsible—the devolved Governments and the local authorities. Those difficult issues were not dealt with by the UK Government. They were passed on to local councils and to devolved Governments at a time of difficult, straitened and reducing budgets. The very difficult decisions being made on the funding were having to be made by local councils, Members of the Scottish Parliament, Assembly Members, Welsh Government Ministers and Members in the devolved Assembly in Northern Ireland. It is a very difficult issue and we need to be frank in saying that the complexity does not lend itself to easy solutions.

My constituency is in Wales, where the devolved ILF funding was used to set up the Welsh independent living grant. The Welsh Government have said that in 2018 they intend to devolve funding to Welsh local authorities to administer the fund. In that context, it is helpful to consider the experience in England, where funding was devolved to local authorities back in 2015, and very helpful in that regard is the recent qualitative analysis of the closure of the independent living fund in England and the post-closure review carried out by the Government. I make it clear that that is very helpful, but it does not go far enough, and that is an important point on behalf of all recipients of the independent living fund. In order to understand the real impact of the closure of the fund and the devolution of funding, we need to know the quantitative aspects of the results of the Government’s actions. We need to know how much individuals who were previously receiving funding from the independent living fund are now receiving.

In one sense, that is self-evident. Individuals who were in receipt of funding before 2015 used that money to do the things that they wanted to do with their lives, for example, for care support, or to work or to get to work—all those things that those of us who do not have disabilities take for granted. The great value of the fund was that it helped people who had disabilities to do the things that those of us who do not have disabilities can do every day. When some of that money was taken away from them, that caused real anguish: the prospect of dealing with whether that money is going to be taken away also causes a great deal of worry.

In Wales, that is what happening at the moment. It is proposed that later this year, the funding will be devolved to local government bodies within Wales without ring-fencing. There is a great element of uncertainty in the minds of individuals currently in receipt of the independent living fund grant about whether they will have sufficient money to continue to do what they want to do.

Mr Gregory Campbell (East Londonderry) (DUP): Given in particular the competing priorities of local authorities, does the hon. Gentleman agree that there is potential for the lack of ring-fencing to result in a very negative impact on those most vulnerable in our society?

Ian C. Lucas: That is absolutely the case. I will be pointing out that that is exactly what has happened in some cases.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing this debate, which is very timely in considering some of the hardships involved. The problem with devolving such funds to local authorities is, as the hon. Member for East Londonderry (Mr. Campbell) mentioned, the background of a lack of resources. Local authorities are placed in the situation of having to prioritise things, and that could inflict further hardship on people who rely on the fund. I have heard about many such cases.

Ian C. Lucas: Absolutely. It is about those difficult decisions that local authorities have to make to balance their budgets. If they are given a budget, the temptation is to do the best they can with their money but to trim, which can have a real and adverse impact on the individuals concerned.

My own efforts to get to the bottom of the financial position of disabled people who previously received money from the independent living fund have, I am afraid, met with little success to date. I tabled some parliamentary questions and the Department for Work and Pensions blandly said in response that there was no central record of the amounts received by individuals following the closure of the fund in England. If one was cynical, one could say that that was convenient but anyway, frankly, it is just not good enough.

My concern, to pick up on the point made by my hon. Friend the Member for Coventry South (Mr Cunningham), is that we are in an era of declining local government budgets and are dealing with some of the most vulnerable people in our society, who were previously in receipt of funding from the independent living fund that enabled them to live their lives in the community. In many cases, however, they now receive less money than they did previously.

Susan Elan Jones (Clwyd South) (Lab): Does my hon. Friend and parliamentary neighbour agree that two debates are happening? One is about devolution, localism and the like—a lot of which is very creative—and the other about everything happening in the background with an agenda for cuts. That is where the problem lies and that is how people with grave disabilities could be greatly affected.

Ian C. Lucas: That is absolutely the case, and I want to talk about one of the people affected: the constituent I mentioned earlier, Nathan Davies.
Nathan is a proud resident of Wrexham and 40 years old. Aged 15, he was diagnosed with a degenerative condition, Friedreich's ataxia, which I had never heard of until Nathan told me about it. In broad terms, it is a rare, progressive genetic condition and, in most cases, a person with the disease will be confined to a wheelchair, as Nathan is, within 10 to 20 years of diagnosis. It causes people to tire easily.

Despite his diagnosis, Nathan worked as a journalist for many years until his medical condition meant that he could no longer continue to do so, although that did not mean he stopped being active. Since 2010 he has received funding from the independent living fund, enabling him to live independently with the help of his family and carers. He continues to write and has published an authoritative study of football grounds in Wales—available from all good book stores—and he now campaigns on disability issues. He is not a man to be trifled with, he campaigns hard in elections and he is known as an important local character in the Wrexham area. He is also a big supporter of Wrexham association football club, which will of course return to its rightful place in the Football League next year—promotion permitting.

Last year Nathan's contribution was recognised by his local Wrexham Glyndŵr University with the award of a richly deserved honorary degree. Today, pretty typically, Nathan is on the front page of The Leader local newspaper in Wrexham, campaigning against a council proposal to charge disabled people for car parking. His resilience and determination are admirable qualities, in particular in the face of the condition he suffers from. We should be helping, not hindering, people like Nathan.

Nathan has pointed out to me that in the past he received specialist advice from the independent living fund, the staff of which he found very helpful in discussion and for assessments. That is something I have heard from other recipients when I have attended recent consultation events on the ILF. As a result of support from the fund, Nathan has been able not only to live in the community but, as the independent living fund intended, to contribute in a really positive way to the community in which he lives, notwithstanding his disability and the challenges that he faces.

The difficulty is that doubt about the future of the fund in Wales is now causing Nathan great worry. Devolution of funding to local councils when their budgets are under great pressure means that there is no devolution of funding to local councils when their fund in Wales is now causing Nathan great worry. Devolution of funding to local councils means that there is no 

Perhaps Members' interests are on a much more taxing issue in the main Chamber.

2.51 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Wrexham (Ian C. Lucas) on making such a cognisant speech and describing the issues very well. He mentioned Northern Ireland and, obviously, I will take the chance to refer to that. My hon. Friend the Member for East Londonderry (Mr Campbell) intervened to give some thoughts on what might come. We may be a wee bit disappointed not to have many people participating in the debate, because those who have an interest in the independent living fund will know the good it brings. Perhaps Members' interests are on a much more taxing issue in the main Chamber.
The independent living fund is a national resource dedicated to and specifically tasked with delivering financial support for disabled people. Every one of us deals with all sorts of people in our constituency offices, and a large number of those are disabled. I have always been encouraged by the fact that the independent living fund enables people with clear disabilities to have some sort of a normal life, like we all have. Who in their right mind would not say that it is right to do that? Why should someone who is visually disabled, has behavioural problems or problems controlled by medication not have the opportunity for some independence? Just because people are disabled does not mean that they cannot look after themselves and that they should not be encouraged to do things. The fund enables those disabled people to live normal lives in the community, rather than live in residential care. There must be a great pride and enjoyment in independent living, with people being on their own and not needing residential care. Although the fund is not available in the way that it has been in England and Wales, we retain that in Northern Ireland—it is also retained in Scotland. We continue to support former independent living fund recipients.

Obviously, it is a pleasure to see the Minister in her place. We are here not to give her a hard time—that is not what it is about—but to suggest that, although it is a devolved matter, we recognise its good. Perhaps the Minister will respond to that in a positive way, and to the very salient points made by the hon. Member for Wrexham. Why should those who have disabilities not have recourse to an independent living fund? Why should they not be able to live a normal life? I believe they should, and I say to the Minister gently that it is discriminatory to do otherwise. The hon. Gentleman referred to that in his introduction, and I will focus on that in my contribution.

I refer the Minister to the inquiry carried out by the UN Committee on the Rights of Persons with Disabilities, which was conducted under article 6 of the optional protocol to the convention on the rights of persons with disabilities, to which the UK has been a signatory since 2007. I understand that a number of UK groups and organisations have contacted the committee with fears that Government reforms were having a negative impact on the basic but critical right of disabled people under articles 19, 27 and 28 of the convention. It is important that we do not ignore that. I am my party’s spokesperson on human rights, so it is an issue close to my heart, and I want to focus on it in the short time we have.

Articles 19, 27 and 28 of the convention are concerned with living independently, employment and social protection—all three are critical things that we have every day in this Chamber as able-bodied people, but that other people may not have in some parts of the United Kingdom of Great Britain and Northern Ireland. The Library briefing states:

“The Independent Living Fund in the State party has been closed to new claimants since 2010 and was definitively closed in June 2015. The funds transferred from the central administration to local authorities under the scheme of localization were not ring-fenced in England”—

the hon. Member for Wrexham referred to that in his speech—

“affecting the majority of former Fund users.”

Therefore, the ones who are most impacted are those who were recipients of it and now are not. The impact on them is greater than ever. The briefing states:

“The Committee finds that former Fund claimants have seen the support they received from local authorities substantially reduced, to the extent that their essential needs in areas such as daily personal care are not sufficiently covered.”

We encouraged them to be involved in the scheme and then we took away that scheme. We took away the independence that they once had. That concerns me. It continues:

“The Committee takes note of the decision made by the devolved administrations in Scotland and Northern Ireland for the maintenance of schemes equivalent to the former Independent Living Fund”.

The briefing also cites an article titled “Government’s failure to ring-fence ILF funding ‘is leading to postcode lottery’” across the United Kingdom of Great Britain and Northern Ireland.

Mr Jim Cunningham: One issue—I am sure the hon. Gentleman has come across this as well—is young people with mental illnesses, which very often imposes a burden on the families concerned.

Jim Shannon: I have come across that issue—many of my constituents are affected. Often, for those people with mental problems, the medication and their families monitoring, assisting and supporting them is all part of it. They want to have that independence as much as they can within the restrictions of their lifestyle and medications, with the support of their families.

We cannot forget the press headlines of the last few years—I will quote some of them to have them on record. I am not a Welsh MP, and none of us here is a member of the Welsh Government, but one headline in relation to the Welsh independent living grant states that the Welsh Government have “sold disabled people down the river”. Another headline reads: “Disabled activist ‘is fighting for his life’ as he hands petition to Welsh government”. I know and understand that it is a devolved matter for which the Minister is not responsible, but those are indications of where we need to do things.

Another headline, dated 13 July 2017, reads: “Disabled people call for return of UK-wide Independent Living Fund”, to which everyone should subscribe. The last of the recent headlines is: “Years of austerity have left personal assistance in ‘very fragile state’”.

Hon. Members have a duty, to which I think we all subscribe, to reach out to ordinary people who just happen to have a disability that restricts their ability to have a normal life, to protect them and to enable them at least to aim for a much better lifestyle. It is the duty of elected Members of the House from all parties to ensure that we offer support to those who, unfortunately, do not have the ability to look after themselves. Let us do that in a suitable way. I look to the Minister, with great respect, for a response that enables us all to do that. I know that we have it in Northern Ireland, but parts of the mainland do not. Let us get it all together.

3 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I thank the hon. Member for Wrexham (Ian C. Lucas) for bringing forward this debate and for his considered and thoughtful approach.

A number of Members expressed concerns about changes to the independent living fund. The hon. Gentleman set out clearly and poignantly the case of his constituent,
Nathan Davies, and reminded us why the fund is so important. The fund is worthy of our attention because it is vital to people who live with disabilities. It is specifically designed to help people with a disability to live independently in our communities, and provides additional financial assistance to those already in receipt of support from social services to enable them to access essential support. We should all be able to support that without equivocation. Threats to the fund, or threats to reduce it, make it harder for people with disabilities to live independent lives. Who on earth would support that?

By the DWP’s own admission, the UK Government’s closure and transfer of the scheme to local authorities in 2015 caused many recipients severe hardship. We have heard repeated examples of that happening in constituencies throughout the United Kingdom. I say to the Minister with utter sincerity that that feeds into the perception held by a number of people that this Government are cruel and callous when it comes to supporting the sick and the disabled. I know that the Minister will reject that analysis—I would expect her to—but that perception exists, and that is a problem for the UK Government. I hope she is mindful of that and does her best to address it. The closure of the independent living fund does not help to counter that perception but feeds it. I am sure the Minister wants to seek to address that, and I know that she will take the point on board carefully.

Many Members mentioned the UK Government’s short-sighted and hugely concerning decision not to ring-fence the fund when devolving it to local authorities. Lord Freud, who was then Under-Secretary of State at the DWP, told the House of Lords in 2014 that “local authorities need to be allowed to meet their statutory responsibilities in a flexible and responsive way and the ring-fencing of funding prevents this.”

I am sure that the intentions were honourable, but we have heard repeatedly that there can be no doubt that that created, by accident or design—it does not really matter to people suffering from the policy—a postcode lottery. We heard that from the hon. Members for East Londonderry (Mr Campbell), for Strangford (Jim Shannon) and for Wrexham. That is because local authorities now determine their own eligibility criteria, and they often do not provide the same funding as the independent living fund did. Considering that the fund is about vital support, that cannot be acceptable, and that decision needs in all good conscience to be revisited. I urge the Minister to do so, and I hope that she is minded to.

Ian C. Lucas: I very much take the hon. Lady’s point. Is that not made worse by the fact that budgets are broadly decreasing at the same time? Local government bodies have the unenviable task of somehow maintaining funding to individuals at a time when their income is falling.

Patricia Gibson: I very much agree. Local authorities across the United Kingdom face difficult choices, but many people, particularly in England, believe that they face unprecedented funding crises. In Scotland, we have tried hard to protect local funding as far as possible—it is not always possible—under budgetary constraints, but Welsh and particularly English local authorities have faced deep, biting cuts. Thankfully, we are working hard to avoid the worst excesses of those cuts in Scotland, but devolving something and not ring-fencing it when there are so many budgetary pressures creates a difficulty with regard to what is prioritised and what it is possible to do.

Mr Jim Cunningham: On the hon. Lady’s point about local authority budgets, to take the west midlands as an example, Birmingham, the largest local authority, has to make cuts of just under £1 billion. In Coventry, that figure is more than £100 million. That is the type of pressure there is on budgets. My view, frankly, is that central Government should never have devolved—

Mrs Anne Main (in the Chair): Order. The hon. Gentleman is making a speech rather than an intervention. I call Patricia Gibson.

Patricia Gibson: I take on board what the hon. Gentleman says. We have heard that there is a sense that devolving vital support to local authorities without either ring-fencing it or properly funding it is a way of dodging responsibility. I know that the Minister will seek to address that. Considering how important that support is for people living with disabilities, the situation is not sustainable.

It was deeply disappointing that, in 2010, the Labour Government tightened the fund so that it would accept applications only from people who were working 16 hours or more a week. That was done essentially with no consultation, and it was one of the last acts of the outgoing Labour Government. That was greatly disappointing to many people, particularly given how important the fund is and how many disabled people throughout the United Kingdom looked to the Labour Government at that time to champion their rights and support them. Many would argue—disability organisations certainly have—that tightening the eligibility criteria was the first step towards signing the death warrant of the fund itself, which is deeply unfortunate.

We in Scotland have chosen a different path. The devolution of powers permits various constituent parts of the UK to do things differently if they see fit. That is what devolution is all about. I say in just about every debate that I participate in that I do not really care where a good idea comes from: if it is a good idea, we should all seek to emulate it. I urge the Minister to look carefully at the independent living fund in Scotland. This issue should not be party political. It should be about seeking to do what is best for those who rely on this essential support. Party politics should not come into it. I urge the Minister to look carefully at what is going on in Scotland and to learn whatever lessons she thinks are of use to help to give people in England essential support.

The hon. Member for Wrexham is absolutely right that these are not easy decisions—thinking about how to spend taxpayers’ money is never easy—but most people in society would agree that supporting people with a disability to live independently in their communities and contribute in the best way they can to those communities, which is what they want to do, is worth looking at seriously. This is not easy, but some things are too important for us always to be guided by pounds, shillings and pence.
3.11 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate my hon. Friend the Member for Wrexham (Ian C. Lucas) on securing this important debate and I thank everybody for their valid contributions and interventions this afternoon. My hon. Friend makes a really good point in that this issue has probably not been discussed. Given it has been nearly two and a half years since the fund was closed, it is worth our revisiting it today. He points out that this is a technical issue. Also, he made the really important point that we need to know the quantitative impact of the devolving of funds on existing claimants. He rightly set out the importance of the fund and the part it has played in many disabled people’s lives to enable them to live an independent life and able to fully participate in society.

My hon. Friend set out how the fund made a contribution and how it was devolved to local authorities, particularly in England. That is a good example of the impact it could have when the scheme is changed in Wales. As it stands, it will potentially be devolved to local Welsh authorities, as has happened here in England. He made the point that local authorities’ budgets have been put under great strain, given the funding cuts they have had to endure over the past seven years. We need to take a fresh look at the way funding is given to support disabled people.

I pay tribute to Nathan Davies, a constituent of my hon. Friend the Member for Wrexham and a recipient of the fund. He is a disability rights campaigner and I thank him for all that he does. We need to hear the voices of disabled people so that we fully understand the impact that decisions made here have on disabled people outside.

Susan Elan Jones: Does my hon. Friend agree that one of the fears that my hon. Friend the Member for Wrexham, I and others have is that, because there are such pressures on council budgets, there will be great campaigns on locally based issues—the closure of a library or the like—but individuals with disabilities will not have that same sort of voice and could therefore be left unheard and with financial problems as a result of the changes?

Marsha De Cordova: My hon. Friend makes a really valid point. She is right. We need to ensure that the voices of disabled people are heard. I can refer back to my own experience here in London in a particular local authority when the campaign on the closure of the independent living fund began. A lot of campaigning took place. It is important that we encourage and empower disabled people to ensure their voices are heard. I totally take her point that we need to ensure disabled people’s voices are not lost in any of the debates. As a disabled woman myself, my role is to ensure disabled people are empowered and their voices always heard.

From the outset it is fundamental that any support for severely disabled people is adequately funded so that we can ensure people with disabilities can live independently. We know that disabled people are twice as likely to live in poverty compared with non-disabled people, in part due to the extra costs associated with living with a disability. I cannot carry on further without talking about the Government’s past record in terms of the disproportionate impact that their cuts have had on disabled people. There are 4.2 million disabled people living in poverty and over the past seven years many disabled people feel they have been scapegoated by the Government. A 2016 inquiry by the UN’s Committee on the Rights of Persons with Disabilities found that since 2010 the UK Government have been responsible for “grave or systematic violations”.

The independent living fund—I will refer to it as the ILF—closed in June 2015. The funding was devolved to English local authorities and the Scottish, Welsh and Northern Irish Governments. Devolved Governments adopted their own different policies. We have already heard about the Scottish, Welsh and Northern Irish policies. The ILF was originally set up in 1988 to help cover the extra costs of being severely disabled. It was also to ensure that disabled people could lead a full and active independent life in their community, rather than living in institutions or in residential care. At the time of the fund’s closure, more than 16,000 disabled people in Britain were receiving an average of around £350 a week towards the costs of living independently.

The ILF was a vital financial resource for many severely disabled people that enabled them to live independently. It helped to cover the everyday tasks that many of us take for granted such as cleaning, washing, cooking, getting out and being able to participate fully. At the time of the closure the coalition Government stated that all existing recipients would continue to be funded by their local authorities. In reality, that has not always been the
case. It was suggested that many local authorities would not ring-fence funding and the grant would simply be absorbed into a general pot.

For example, Disability Rights UK research suggested that only 29 councils in England would ensure non-ring-fenced funding would be allocated. Indeed, the UN Committee on the Rights of Persons with Disabilities, “observed that social care packages have been reduced in the context of...budgetary constraints at the local level.”

As I have alluded to, we know that since 2010 local authorities have come under extreme pressures and have seen their budgets cut. They will continue to have to make cuts and it is unsure how much support disabled people will receive. For example, when an individual who received 27 hours of support a week through the ILF was reassessed under the local authority arrangement, he was to be given just nine hours’ support. Potentially he would have to make contributions as well, and naturally that would have been unaffordable.

The extensive cuts to local government funding have ensured that in many cases some disabled people have been restricted or limited in the lives they could lead. As has been pointed out, there were local campaigns; I was not in this place at the time but I am led to believe that there was a protest here, by disabled people who wanted to change Government’s decision to end the independent living fund in its current form without devolving it to a local level. Despite assurances from the Government of the day, support has been removed from some disabled people, and reduced for those with the highest support needs. In England in particular, there is pretty much a postcode lottery; the level of support that people get is almost dependent on the local authority area they live in. We would all agree that it is fundamental that disabled people’s independence should not be dependent on the level of funding or eligibility criteria set by an individual local authority. Distribution of funding should also be based on need; therefore there should be some sort of universal policy for how that is done.

I want to speak briefly about eligibility. That is determined by the local authority, and we do not see, in many cases, whether recipients’ support has decreased or increased. A decrease would undoubtedly have an impact on someone’s ability to live independently. I share the concern of my hon. Friend the Member for Wrexham (Ian C. Lucas). It is important, and I agree with him: although I have been in the House seven years, and obviously we legislate for a lot of changes, we do not spend enough time going back over them to see whether they delivered on our good intentions. It is important to scrutinise, debate and revisit what we have done. There are of course always lessons to be learned, and we should do that—learn the lessons as we go forward. I welcome the contributions made by the hon. Members for North Ayrshire and Arran (Patricia Gibson), for Battersea (Marsha De Cordova) and for Strangford (Jim Shannon). I can clearly see that they and other Members who intervened in the debate deeply share my commitment to disabled people, and that they want to ensure they can play as full as possible a part in society. They spoke passionately about their constituents and people who have benefitted from the independent living fund.

From the outset I want to assure everyone present for the debate that the Government are absolutely committing to provide the right support for disabled people so that they can live independently. I want to address the detailed points that were raised, but it is important to take up the challenge set by the hon. Member for Wrexham (Ian C. Lucas). It is important, I emphasise, that Mr Lucas has the right of response, so perhaps she can look back and explain the reasons for deciding to close the fund in the first place. It is clear to me, looking back at what my predecessors aimed to do, that the decision was driven by a clear case for reform, rather than any desire to cut costs. The way disabled people are supported to live independent lives has changed significantly in the past 20 years, so the ILF model was becoming increasingly outdated. There have been significant changes to the social care landscape over the period, which have meant that mainstream provision now offers the type of control and choice that we have heard about this afternoon. That is far more available in mainstream provision than it was at the time when people thought we needed an independent living fund because those services, and that support, were not available.

I do not think it was right that the ILF was a discretionary fund. As with any discretionary fund, that inevitably led to quite a lot of inequity; people with similar disabilities did not get equal access to services. I was proud to be a member of the Bill Committee on the Care Act 2014, which I remind hon. Members secured all-party support. It was recognised as a huge, significant reform to social care—probably the most significant for 60 years. It was clear that the Act was intended to promote greater independence as well as to increase disabled people’s control over their care and support. It incorporated and built on many of the features of the ILF. Of course, importantly, the Act introduced national eligibility criteria for access to adult social care. That was no longer discretionary, with people having to apply to a fund and others deciding how it should be spent. Criteria were nationally set. Local authorities have a statutory responsibility to deliver on it, but of
course they have discretion to do more. We have heard examples from Scotland. Wales takes a different approach, and local authorities throughout the country can innovate. They can join up with other services, such as supported housing, and there are huge opportunities to innovate and join up services.

The Care Act 2014 established not only eligibility criteria but standards. Like any hon. Member present this afternoon, when I work with my constituents we are interested in the quality of care. It is important to focus on that, and not always just on the amount of money, although funding is of course important. The Act brought in consistency in eligibility and in quality of care, and that was a huge step in the right direction.

When responsibility for the ILF was transferred to local authorities and devolved Administrations, of course it was very much part of the Government’s thinking on supporting the principles of localism. Local bodies are accountable to local people in their areas, and are best placed to make the decisions about how to support people. Just like other Members, I get frustrated and even angry with the local authority in my area when it does not prioritise the most vulnerable people. I do not shrink from the fact that because of the financial situation that we inherited in 2010 there have had to be cuts to local authority budgets, but they still have substantial amounts of money. They have to make choices, and when anyone asks me I am clear that they should prioritise the most vulnerable.

We have heard comments this afternoon about the legality of what the Government are doing, and that in some way we are in breach of our obligations under the Equalities Act 2010. I wish to respond to that and emphasise that the Government’s decision to close the independent living fund was challenged in a judicial review, and throughout the process the DWP won on all points. It was judged that the consultation was fair and that it had paid due regard and proper attention to the public sector equality duty. At appeal we were directed to prepare a new equality analysis, which we did, and that informed the decision to transfer funding and responsibility to local authorities in England and the devolved Administrations in Scotland and Wales. That was announced in March 2014, and it was all put in place at the time of the transfer.

At that time, a huge amount of support was given to local authorities and the devolved Administrations, which people very much welcomed. The ILF was fully funded when it was transferred to local authorities, and the Government guaranteed funding for former ILF users until at least 2020. The funding forecasts used to calculate local authority grants were based on the ILF’s own models. That was an independent body—a charity—and the forecasts were based on its models. The budget for the final year of the ILF was £262 million, and in England £363 million was transferred in two years following the closure of the scheme. A further £498 million will be transferred to local authorities between now and 2020, to cover ongoing local authority payments to former ILF recipients. Funding per person has been maintained, and that is what matters to individuals.

As has been said, the funding was not ring-fenced, because I firmly believe that local councils are better placed than central Government to take decisions about their own area, including how they spend their budget. Any attempt to dictate the terms of the transfer would have frustrated the aim of enabling local authorities to join up services that they often already provide to disabled people in their communities.

Ian C. Lucas: The Minister said that funding to individuals has been maintained. How does she know that when she does not keep records of the amounts paid by local authorities to individual recipients?

Sarah Newton: The hon. Gentleman raises a good point. We transferred the money for that purpose—I was going to come to this point later in my speech, but I will say it now. The hon. Gentleman gave various numbers for losses, cuts, and people not receiving money that came from the research that he has done, including work with third-party organisations. Before this debate I asked him to come and see me so that we could talk the issue through, because the fund was certainly transferred in the full expectation that its recipients would have their funding maintained. If there is evidence to the contrary I would like to sit down with him and go through that.

I appreciate the hon. Gentleman’s welcome for the independent review of the impact of the fund. That was carried out by leading social scientists and showed that the majority of people interviewed during the research were seeing the same level of expenditure, or more, and that the level and quality of support were going up. However, there was variability in that research, and I would be delighted to sit down with the hon. Gentleman and make sure that the money is being spent in the way that was intended.

Through the devolution of the fund, the vast majority of recipients of ILF—94%—were also recipients of care and financial support from local authorities. There was a lot of duplication, and that has enabled local authorities to have the person-centred approach that the Care Act 2014 was always about. We need to join up services around the individual because no two people are the same. No two families have the same circumstances, so we must ensure that support meets the needs of the individual and enables them to live as independently as possible. As the hon. Gentleman recognised, these are devolved matters, and it is for the Welsh Assembly to make these decisions. The Welsh Minister for Social Services and Public Health said that funding of the ILF will continue in Wales, as that will equalise support and “make it more sustainable”. That is certainly a point that the hon. Gentleman’s colleagues in Wales recognise.

We have a clear commitment to ensure that disabled people have the support to lead independent lives, and that is demonstrated in the fact that the Department spends well over £50 billion a year. This year, £52 billion will be spent on benefits to support disabled people and those with health conditions. That is around 2.5% of our GDP, and more than 6% of Government spending, and it is up by £7 billion in real terms since 2010. It is simply wrong when colleagues stand up in the House and say that the Government are cutting benefits for people with disabilities. These are indisputable facts, and when hon. Members stand up in the Chamber, and elsewhere, and wonder why there is a perception that the Government are being cruel and heartless to disabled people, I think they should look at themselves in the mirror. When Members constantly misrepresent the facts, of course people will be worried and scared. Like any other
constituency MP I hold weekly surgeries, and I am frankly dismayed when people come along holding their Labour leaflets and showing me what they are being told. They are scared about cuts that are not happening.

Marsha De Cordova: It is not right to say that we are not being truthful because there have been severe cuts to support for disabled people. The introduction of the personal independence payment and the abolition of disability living allowance means that fewer people will receive additional support to help meet the extra costs of living with a disability. The time limiting of contributory employment and support allowance has also led to a reduction in the number of recipients who are eligible for support—

Mrs Anne Main (in the Chair): Order. This is an intervention, not a speech. The Minister is replying to the debate.

Sarah Newton: As I said, we are spending more than £7 billion more than in 2010, and the changes we have made to the personal independence payment mean that more people are now eligible for support. People with conditions such as multiple sclerosis and those with variable conditions are now eligible, as are people with mental health problems. We have widened the range of people with health conditions and disabilities who can apply for the personal independence payment.

Ross Thomson (Aberdeen South) (Con): Does the Minister agree that there is a stark difference between perception and reality, and that while some may use that perception for partisan reasons and to play politics, the reality on the ground is that the Government are supporting those who are disabled to live fulfilled and full lives, and helping them to gain choice and control over how their support is delivered?

Sarah Newton: I am grateful to my hon. Friend for pointing that out. The numbers clearly show a significant contribution to helping people live independently, but these things are not the only things we are doing. He is completely right to talk about enabling people to play their full part in society, including in work, and I am delighted that so many more disabled people are in work. The vast majority of disabled people want to play as full a part in society as they possibly can.

Let us look at some of that support. Not only do we have ESA and the personal independence payment, but enhanced and tailor-made support is available through the work coaches in Jobcentre Plus—that is more than £330 million. The marvellous Access to Work programme brings people to receive support of up to and over £40,000 a year so that they can go to work and stay in work. We have a constructive working relationship with Scotland, and Scotland is benefiting from some of the considerable investment we are putting into that programme. Just this year we have two funds, one of nearly £80 million and another of about £35 million. I will, of course, always look to work with colleagues in any part of the country where we can work collaboratively and constructively to learn from each other, so that we can enable more people to play as full a part in society as they possibly can.

We have also talked about other parts of the funding. Adult social care is incredibly important for disabled people, and we have committed to publishing a Green Paper by the summer, setting out how we will reform the system and have a longer-term settlement on social care. An inter-ministerial group has been set up to do that, because it is an essential reform that we need to achieve. It is also important to have a cross-party, whole nation approach to doing that, because various Governments have tried to get it right, but we have yet to come up with a settled view we can all support. I think that is long overdue, and I will work hard to support that inter-ministerial group in coming up with a set of proposals that will aim to command the support of the whole House. Any hon. Members here who would like to join would be welcome.

Marsha De Cordova: I am really pleased that there will be a cross-ministerial group. Can the Minister confirm that working-age disabled people will also be considered in the Green Paper and in the reform of adult social care?

Sarah Newton: We definitely have two pieces of work under way. One is part of adult social care and is about the care of elderly people, and one is for working-age disabled people. That is incredibly important. We are always looking to see what more we can do to support disabled people to live as independent a life as possible, and I also want to ensure that, as we look ahead, we draw on the lessons we will learn through the considerable investment in innovation that we are putting in through the Work and Health programme. I want to ensure that we have an evidence base for the reforms we want to put in place.

In the meantime, we know we need to put more money into the system. We have put in an additional £2 billion over the next three years. That money was committed in March last year, and will mean that local authorities have the funds they need to support disabled people in living as independent a life as they can and to meet their social care needs. Councils have access to £9.25 billion more in dedicated funding for social care over the next three years. I think that, with this additional funding, local authorities have the ability to meet the needs that have been clearly set out there and to meet the responsibilities set out in the Care Act. It is important to analyse the impact of the closure of the independent living fund and I am happy to meet the hon. Member for Wrexham, because what I really want to do is focus on what more we can do in the future.

I hope that hon. Members who have been present for today’s debate will see that we have a big ambition, through a whole range of programmes, to enable disabled people to live independently and play their full part in society, helping them into work. I believe that the challenge we face as a nation is above party politics;
it should be above party politics. Those colleagues who want to work with me to improve, learn and move forward to realise that bold ambition are very welcome to join me in a meeting and in that great challenge.

3.44 pm

Ian C. Lucas: I thank the Minister for her response. The first step I would like to see is for the Government to begin collecting the information from local authorities on the real impact of the closure of the fund on individuals within each local authority area in England, so that we are informed about that situation and can hopefully put at rest the minds of those individuals who face the closure of the fund, such as my constituent Nathan Davies. As a matter of policy, it should always be the case that the Government collect information arising from their own policy decisions. I am amazed that that has not happened to date.

On the issue of the impact of cuts to individuals in receipt of disability benefits, the reality is that, as constituency MPs, we see individual people whose income has been reduced because of political decisions made by the Government. Whether or not the Government have paid an extra £7 billion into the Department for Work and Pensions fund, those individuals have had a reduction in their income. That is what we are campaigning on, and why we are arguing in favour of supporting those people and making political cases.

The Minister is a politician, as I am. We take different views, but I do not doubt her integrity and she should not doubt ours. We campaign because we are representing those individuals who have had their incomes reduced as a result of the political choices the Government have made. We will continue to make that political point, because we see a different vision from the one she sees. That is what our democracy is about. For the most part, we have discussions with members of my own party about the future of the fund in Wales, because I am not convinced that the evidence from what has happened in England supports devolution to local authorities as a good way forward. If the Minister can convince me otherwise, so be it. I will meet Welsh Ministers to discuss the issue with them too.

I am grateful for the debate, which has been helpful and has clarified a number of issues, and I am grateful for the manner in which you have chaired it, Mrs Main.

Question put and agreed to.

Resolved.

That this House has considered changes to the Independent Living Fund.

3.47 pm

Sitting suspended.

Shoreham Air Show Crash: Access to Justice

[Mark Pritchard in the Chair]

4 pm

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move,

That this House has considered the Shoreham air show crash and access to justice by families of the victims.

I welcome the Under-Secretary of State for Justice, my hon. Friend the Member for Bracknell (Dr Lee), as the last man standing in the Ministry of Justice. I will be easy in my comments and certainly not apportion any blame to him for the inadequacy of any answers he may be able to provide.

This is an important matter. On 22 August 2015, a vintage Hawker Hunter jet plane crashed at the Shoreham air show in my constituency. Eleven men tragically lost their lives, and many stories of the personal tragedies that accompanied that loss touched a chord across the nation. It represented at the time the latest civilian loss of life in the United Kingdom since 7/7, and the first fatalities on the ground at any UK air show since 1952. Those statistics will give little comfort to the victims’ families, and I am sure that I echo the feelings of the whole House when I say that our thoughts and prayers go out to them, and that the first priority remains to give them the support that they will need in these difficult times.

Those were the words that I used when opening a debate in this Chamber on 15 September 2015, just three weeks after that tragic accident. Twenty eight months on, the coroner’s inquest has still not happened and is not scheduled until November 2018 at the earliest, and no decision has been taken by the Crown Prosecution Service about whether any charges will be brought against anyone or any body. The lack of any decisions about prosecutions has already led to delay in the coroner’s inquest. Indeed, the West Sussex coroner, Penny Schofield, has written again just this week to families of the victims to postpone the third pre-inquest review hearing, due on 24 January, to 26 March. There is growing concern that the inquest may well not happen in 2018 at all, given its dependence on getting prospective criminal proceedings out of the way, despite the huge efforts being made by the coroner, which I know are greatly appreciated by the families of the victims. I want to pay tribute to the sensitive and sympathetic way in which the coroner for West Sussex, Penny Schofield, has dealt with the families in this tragic case.

I raised this issue directly with the Prime Minister at Prime Minister’s Question Time on 1 November 2017, and specifically the extraordinary decision by the Legal Aid Agency not to extend funding from the exceptional cases fund to the families of the victims at the coroner’s inquest when it eventually takes place.

Ellie Reeves (Lewisham West and Penge) (Lab): I am sorry to learn about the difficulties that the hon. Gentleman’s constituents have experienced in trying to secure legal representation and legal aid. Legal aid is an issue that I take great interest in, and I previously tabled early-day motion 498 in relation to legal aid for inquests. Does he agree that the Government should review legal aid for
inquests and ensure that legal aid is granted in all cases for bereaved families where the state is funding one or more of the other parties?

**Tim Loughton:** I do agree, and indeed the Government are doing that. I will come to that point later on.

I originally raised that decision in a letter to the PM in August jointly with other Sussex Members, including my hon. Friend the Member for Bexhill and Battle (Huw Merriman), but, alas, had not received a response directly from the Prime Minister at the time. The Prime Minister replied at PMQs that she fully understood the concerns of the families and assured me she was committed to ensuring that

“where there is a public disaster, people are able to have proper representation.”—[Official Report, 1 November 2017; Vol. 630, c. 814.]

Those were her words. The Lord Chancellor was asked to look at the problem, which is connected to the point that the hon. Member for Lewisham West and Penge (Ellie Reeves) made. I appreciate that the Prime Minister takes a close interest in this tragedy. Indeed, in contrast with the apparent indifference of No. 10 under the previous Prime Minister to the magnitude of this tragedy, the now Prime Minister championed the outstanding role played by the police, especially in the traumatic days that followed the crash, and added her tribute and flowers for the victims.

It is deeply disappointing that since 1 November, all that has happened effectively is a confirmation from the Ministry of Justice that the Legal Aid Agency made its decision properly, that the application and subsequent appeal were considered in line with relevant guidance and that Ministers cannot intervene. The Prime Minister simply pointed out that, before I raised this issue, the Lord Chancellor had announced a post-implementation review of the legal changes made by the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and I might consider making a submission to that review. That is the point that the hon. Member for Lewisham West and Penge made, and I will certainly be using the transcript of this debate to put that case.

The air accidents investigation branch produced a very thorough and comprehensive report on 3 March 2017, but it was not its job to apportion blame and instigate legal proceedings—that is not the way it is set up. A number of questions were raised by that report. The law firm Stewarts Law, which has been representing pro bono some of the families, has made a number of comments about that report. The AAIB report says that the investigation found that

“the parties involved in the planning, conduct and regulatory oversight of the flying display did not have formal safety management systems in place to identify and manage the hazards and risks. There was a lack of clarity about who owned which risk and who was responsible for the safety of the flying display, the aircraft, and the public outside the display site who were not under the control of the show organisers.”

It goes on:

“The regulator”—

the Civil Aviation Authority—

“believed the organisers of flying displays owned the risk. Conversely, the organiser believed that the regulator would not have issued a Permission for the display if it had not been satisfied with the safety of the event…No organisation or individual considered all the hazards associated with the aircraft’s display, what could go wrong, who might be affected and what could be done to mitigate the risks to a level that was both tolerable and as low as reasonably practicable. Controls intended to protect the public from the hazards of displaying aircraft were ineffective.”

Stewarts Law notes:

“Further, there is a valid, proper and serious legal argument that the CAA failed as a regulator in properly implementing a safety recommendation made over six years ago by the AAIB from a previous fatal Hawker crash at Shoreham in 2007.”

As it stands, at the official coroner’s inquest, there will be 19 interested parties involved. All non-family properly interested persons will be legally represented. Only the families of the victims—surely those with the closest and strongest interest in the proceedings—will not have legal representation.

**Peter Kyle** (Hove) (Lab): I congratulate the hon. Gentleman on securing the debate. As a neighbouring MP and someone who also lost a constituent in this air show crash, may I thank him for the open-hearted and spirited way in which he worked in collaboration with me during that gruesome period? Many of the victims of this air crash were the highest earners of the families from which they were taken, which means that in a hugely complex investigatory and legal landscape funded by Government agencies, these grieving families, who are very vulnerable and most unable to tackle these big issues, need the help of Government more than anybody else. Does he agree?

**Tim Loughton:** The hon. Gentleman makes a good point. I pay tribute to him and other neighbouring MPs who had constituents who were victims, as I extraordinarily did not. We have been able to act together to give some support and comfort to the families involved. Indeed, there was a public appeal that raised some £200,000, which has been distributed through the Sussex Community Foundation, and I have been on the board of that. I have seen at first hand the huge impact that this has had on families for whom the victims were the breadwinners. As well as going through the trauma of grieving, they have had to reinvent their lives. We need to be as supportive of these people as possible so that they can get through the formal processes, get their lives back on track and get some sort of closure. That is just not happening, which is why I have come back today to raise this matter again in the House.

As I have said, it is not assured that the inquest will go ahead this year, delaying yet further the opportunity for the families to get to the bottom of exactly what happened and achieve some degree of closure.

**Huw Merriman** (Bexhill and Battle) (Con): Will my hon. Friend give way?

**Tim Loughton:** I will, and then I want to make some progress before I run out of time.

**Huw Merriman:** I thank my hon. Friend for giving way, for leading all of us who have bereaved constituents and for the work he has done, particularly for my constituents in Heathfield. I think he is building on this case already, but I put it to him that with an inquest where all the others appearing will be represented and may have a certain drive to ensure that the inquest goes in one particular direction, and where there will be no prosecution as there would be in a court, it is even more
imperative that the families get legal aid, to ensure that there is some semblance of balance for the coroner and guidance.

**Tim Loughton:** My hon. Friend makes a very good point, to which I will come shortly. I again thank him for co-signing the letter to the Prime Minister and for joining us in this whole enterprise.

The families still have no idea whether anyone will be charged and held responsible for the deaths of their loved ones. That is disgraceful. There has been ping-pong between the police and the CPS as to whether files and complete information have been presented to the CPS. It was confirmed only at the beginning of December that all the files required were with the CPS. Of course we want a thorough investigation of what happened, but does it really need to take this long? The CPS needs to make a decision one way or the other as to whether a prosecution can go ahead, and if one cannot, it needs to explain fully to the families why there are not grounds for a prosecution. We are in a state of limbo that is holding up the entire process, which is completely unacceptable. Frankly, I would have hoped that the Law Officers would have played some part in nudging, at least, the CPS to expedite this matter.

Twenty-seven months on from the debate in which I urged that the first priority must be to give the families the support that they need in these difficult times, it is hard to see how that has been achieved as it should and could have been. I am afraid that the Prime Minister’s words when she stated that the families of the victims of a public disaster should be able to have proper representation ring rather hollow.

Why is the decision by the Legal Aid Agency not to permit funding under the exceptional case funding provisions introduced by LASPO in 2013 so patently wrong and unjust? Exceptional case funding is currently available for categories of law that are not in scope for legal aid and where failure to provide legal services would be in breach of an individual’s rights, within the meaning of the Human Rights Act 1998, or other enforceable EU rights relating to provision of legal services. Inquests have never fallen within the main body of legal aid provision. Currently, legal aid for inquests is available only at the discretion of the Legal Aid Agency under the exceptional case funding provisions, so this case is just the sort of eventuality that was envisaged when the fund was set up in the original LASPO Act. It has nothing to do with cuts in legal aid funding, as some have tried to claim.

The Law Society has supported this application and strongly believes that bereaved families should have access to legal representation where possible. As it has put it:

“The current definition of exceptional case funding does not provide an adequate ‘safety net’ for inquests. Applications for exceptional funding are highly complex and time consuming, requiring applicants to have an understanding of human rights law, and in the case of inquests, be able to show that there is an Article 2 (right of life) issue or a wider ‘public interest’."

The application has also been supported by the West Sussex coroner, Penny Schofield, who specifically points to problems with the families uniquely being deprived of legal representation, which could lead to a more time-consuming inquest, costing more and denying justice to all on a level playing field. She has said:

“This is a highly complicated case. It involves areas of aviation law which are complex and technical in nature. Families will struggle to participate in the Inquest in any meaningful way without the assistance of legal representation."

The Inquest will engage a number of complex legal issues including article 2 of the European Convention on Human Rights. It is further complicated by the fact that I will be sitting with a Jury.

If the families are not represented it is likely that the Inquest, which is already likely to last up to 8 weeks, will take considerably longer...The outcome of this Inquest will have a wider public interest. The Inquest will allow for the identification of dangerous practices and/or systemic failings that could potentially be a significant risk to life, health or safety to others for those attending airshows or working in this environment in the future.”

She finishes her letter by saying:

“I would fully support any application for funding and would emphasise that in my view it is essential not only for the families but for the wider public at large.”

One cannot put it more clearly than that. Furthermore, other, non-family interested parties that are public bodies, and for which legal representation will come from public funds, include Sussex Police, the Civil Aviation Authority, the air accidents investigation branch and the Health and Safety Executive. They will get legal representation paid for out of public funds, but the family of a victim does not qualify.

I pay tribute to Stewarts Law, the solicitors who have represented most of the families pro bono and who have made the formal application for legal funding. They made a case for legal representation to involve an aviation specialist Queen’s counsel, supported by a junior counsel and solicitors from the five firms involved with the families across the board. They make the case that “without the support of effective legal representation, it will be impossible for the families to participate in the inquest.”

They also make the case that funding should be required by article 2 of the ECHR, the right to life. As has already been said, the AAIB report raised serious questions about the protection of that right by certain public agencies—the systemic failure by the state and its agents in the safe regulation of public flying displays. That should constitute qualification under article 2.

The inquest will undertake an investigation into the cause of the accident. It will give the 11 families an understanding of the events that led to the deaths of their loved ones and enable them to participate in the fact-finding inquisitorial process. Unlike in the criminal investigation, the families have an opportunity to be involved in the inquest process and require legal assistance to do so—my hon. Friend the Member for Bexhill and Battle made that point. The police have referred to the thousands of documents that will be provided to the coroner, and to which the families will have access, that will include technical evidence, lay evidence and witness testimony. Surely the families are entitled to proper legal scrutiny of those. Detailed specialised knowledge is necessary to understand the AAIB report and the supplementary oral evidence from the AAIB, and challenge it accordingly. Additionally, the volume of case documents in the inquest will be such that the families will further require legal expertise to assist in managing the documents and explaining their relevance to the proceedings. Therefore, a strong case was made in the application. It just defies logic that, in this exceptional case, the families have not qualified for exceptional case funding.

This inequality of arms is inequitable and could undermine the inquest’s ability to serve the public interest through a failure to protect rights under article 2 of the
ECHRI, with the families in effect being left to represent themselves with one hand tied behind their back. There clearly is a wider public interest, although it is refuted by the Legal Aid Agency. There is a wider public interest not least for the more than 300 civilian air shows that take place up and down the country. They have already been affected by the changes that the CAA introduced in the light of the AAIB investigation report, meaning that some have not been able to stay viable—insurance premiums have gone up in many cases. What is that if not a wider public interest? At the conclusion of the inquest, the coroner is able, under regulation 28 of and schedule 5 to the coroners rules, to make recommendations for changes to ensure improvements to air safety and to prevent future accidents. That is each family’s main aim: they wish to prevent similar deaths and to ensure that others do not have to endure this huge trauma and bereavement. That is a wider public interest.

Clearly, therefore, the Legal Aid Agency judgment is flawed. I have requested a meeting with the chief executive, Shaun McNally, which he has agreed to, after it has looked at things further. I gather that the board is still assessing the judgment. I urge it to apply the principles for which the exceptional case fund was established in the first place. In addition, I urge the Government to look at the Law Society recommendations about what the review of LASPO should change, including researching the reasons for the low level of exceptional case funding—the point made by the hon. Member for Lewisham West and Penge.

There is also a wider issue about the inadequate way we fund legal representation for families of multiple-death events. The issue is highlighted most starkly by the appalling delay in achieving justice for the victims of the Hillsborough disaster, which we have heard so much about in this place. In the report commissioned by the Home Office, “The patronising disposition of unaccountable power”, the Right Reverend James Jones, the former Bishop of Liverpool and chair of the Hillsborough independent panel, said that there is a “pressing need” for bereaved families to have publicly funded legal representation at inquests at which public bodies are legally represented. I entirely agree. I have had discussions with the hon. Member for Wirral South (Alison McGovern), who has championed their cause, about achieving a level playing field in these fortunately rare but devastating cases. I have co-signed the letter to the Prime Minister to that effect and hope that the new Secretary of State for Justice and the new team will meet us to discuss that.

This is my ask of the Government and the Minister. First, despite the rules, the Government should find some way to step in and underwrite funding for legal representation of the families urgently, and well before the review of LASPO. Secondly, Law Officers need to put pressure on the CPS to make a decision one way or the other and fully explain it as a matter of urgency. In the longer term, they need to look at how we ensure that families affected by such tragedies have full recourse to proper legal representation on a level playing field.

This was an exceptional tragedy. It was a tragedy not only for the families, but for the local community, which still bears the scars of what happened, and for the country as a whole, when the spotlight and the cameras were on the small town in my constituency for those days back in August. It was an exceptional tragedy, and it needs an exceptional response from Ministers and the Government. I hope the Minister will give some assurances that that might now happen.

4.20 pm

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): It is a pleasure to serve under your chairmanship, Mr Pritchard. I begin by paying tribute to my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for his tireless and tenacious efforts and for securing this debate. I am grateful for the opportunity to respond on behalf of the Ministry of Justice.

The Shoreham air disaster was an appalling tragedy. My heart goes out to all those affected. My hon. Friend has spoken movingly about that tragedy, both today and in the past in the House. The inquest is a distinct judicial process. It can be a traumatic ordeal for the bereaved, both in hearing how their loved ones died and through the frustration in the search for answers. That is why we have proper accountability for what happened, and thereby enable the families affected to move on with their lives, even though, of course, it can never compensate for their loss.

The inquest process comes on top of the independent review that was commissioned by the Department for Transport, working with the air accidents investigation branch, which reported last year. I note that the Civil Aviation Authority has accepted all the air accidents investigation branch’s recommendations. I mention this because of its importance in the search for all of the answers that the families quite understandably want.

The inquest itself is meant to be an inquisitorial process. It should not be an adversarial court proceeding. Participants are not required to present legal arguments, and they can ask coroners to question witnesses on their behalf. Inquests are about fact finding. They seek to establish the truth. Most inquest hearings are conducted without the need for publicly funded representation. That must be right to ensure they are as accessible as possible to both the bereaved and the wider public.

The specific process for the coroner will be unfamiliar to most people and it is important that the bereaved are properly supported, as they navigate an unfamiliar judicial procedure at such a heart-rending time for them. That is why the coroner reforms we implemented in 2013 were designed to put bereaved people at the very heart of the process. For example, families now have the right to request most of the documents in the case, and they can expect the coroner’s office to update them at regular intervals, and explain each stage of the process. The bereaved should be treated with compassion and respect, and their needs should be central to the coroner’s investigation and inquest.

The crucial point is that inquests should be more sensitive and more accessible to the citizens they are there to serve. Of course, early legal advice may sometimes be needed and helpful. That is why we have protected early legal advice to support the bereaved in preparing inquests, ensuring that it remains within the scope of
legal aid. It may also be that publicly funded representation at the inquest hearing itself is necessary in certain exceptional circumstances, and if that is the case it should be provided. This was the position prior to the introduction of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and it remains the position today.

I know criticisms have been made of the exceptional case funding scheme, and how it operates in respect of inquests, but it is important to note that, in the last two years, 328 applications for publicly funded representation at an inquest were granted. That is 62% of all applications, so the scheme does work. It does support families. I appreciate that this will be scant solace in my hon. Friend’s case, or in any other case where legal aid was not granted, but my hon. Friend also knows that Ministers cannot intervene in the decision-making process in individual cases, nor should that be possible. Individual decisions are made independently by the Legal Aid Agency, and it is important that these decisions are, and are seen to be, free from political interference.

At a human level, of course I appreciate the frustration in this case, but it was an independent decision made by the LAA. If an applicant disagrees with a funding decision taken by the agency, they have a right to an internal review, and to make further representations. I understand that the application for review in this case was not accepted, but that does not preclude further representations being submitted. My understanding is that so far none have been made.

More broadly, last year the Ministry of Justice spent £1.6 billion on legal aid in England and Wales, which accounts for more than one fifth of the Department’s budget. The Government have a responsibility to ensure that those in the greatest hardship, those in greatest need, can secure access to justice. Our job is to make sure that the most vulnerable have the support they need, and that precious and finite resources are made available to that end. That is a responsibility that we take very seriously.

Our approach is not set in stone. We keep it under constant review. For example, Dame Elish Angiolini’s important report on deaths in custody highlighted that there are issues in the system relating to public participation in the inquest process. The report was reviewed in the Department and we are updating the former Lord Chancellor’s guidance, so that it is clear that the starting presumption is that legal aid should be awarded for representation of the families at an inquest that follows the non-natural death or suicide of a person detained in custody.

We have a wider review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 and the legal aid reforms introduced then, which is under way and will report by the summer recess. The former Lord Chancellor has made it clear that we will look at the legal aid provision in inquests alongside the LASPO review. But I have to say that we must grapple with a more fundamental point about the accessibility of inquests. It is absolutely crucial that we consider the experiences of the bereaved during the entire process, and explore ways in which we can make inquests more sensitive at such a traumatic time. It is important to consider carefully when legal representation is necessary in what is intended to be an inquisitorial, fact-finding hearing.

The Department basically accepts my hon. Friend’s fundamental contention, which he made at Prime Minister’s questions back in November, around the equality of arms at inquests. In recent years, more and more interested persons, including public organisations, are deploying lawyers at inquests and this can create an unfair imbalance for ordinary families. But the Department does not believe the right public policy response is to engage in a legal arms race. The Department believes that we must make sure the inquest process retains its inquisitorial rather than an adversarial character and quality. I do not mind saying that overall we need to try to reduce the number of lawyers involved, where it can be responsibly done, if our aim is to make inquests more accessible, and meet the needs of the bereaved, without compromising fairness to anyone involved.

We will look at that in detail over the coming months, including the scope for reducing the number of lawyers on all sides, making the procedure more accessible, and improving the guidance available to support the bereaved. At the same time, we are already investing over £1 billion to transform our courts and tribunals, building on the worldwide reputation of our justice system, so that it is more sensitive to victims, more modern, more efficient, and more accessible. This will provide swifter and simpler justice for everyone, especially those at their time of greatest need. The justice system, and the inquest process in particular, must have due process, but it also needs to be sensitive to the needs of bereaved people at times of their greatest anxiety and indeed even suffering. Legal aid is, no doubt, one piece in that jigsaw, but we must look more widely at the system if we are going to deliver even better access to justice in the 21st century.

I conclude by congratulating my hon. Friend again on his comprehensive and, perhaps more importantly, passionate presentation on behalf of his constituency and constituents. I welcome the other thoughtful contributions, and I will ensure that the new ministerial team at the Ministry of Justice reflects further on them, as we take forward the Ministry of Justice’s vital reform agenda.

Question put and agreed to.
Yorkshire Devolution

Dan Jarvis: I beg to move, That this House has considered Yorkshire devolution.

It is a pleasure to serve under your chairmanship, Mr Pritchard, and it is a pleasure to see the Minister still in his post—not that there was any doubt of that, I am sure. This debate comes at a critical moment for our region. I was struck by the words of Archbishop John Sentamu, who said this morning:

“Today, our elected leaders have an unprecedented opportunity to repay the trust vested in them by the people and to forge an exciting new future for this great county.”

He went on to say:

“I pray that we will live this out recognising that we have more in common spiritually, culturally, socially, economically, and politically than which divides us...Together we are Yorkshire.”

What eloquent and wise words they are. In delivering them, Archbishop John has set both the standard and the tone for this debate.

All of us here have a responsibility to work co-operatively together to best serve the interests of our region. In that spirit, today I will propose what I hope is a constructive way forward for a future devolved settlement for Yorkshire and the Humber. Before I do, let me say a word about how we got to where we are.

Diana Johnson: May I congratulate my hon. Friend on securing this very timely debate? I also want to congratulate him on making sure that we are talking about Yorkshire and the Humber. The Humber is essential if we are going to make devolution in Yorkshire and the Humber work, because of the energy estuary and the fact that the north and south banks provide the second largest port complex in the UK—they are vital to this deal.

Dan Jarvis: My hon. Friend makes an important point: the Humber is absolutely vital to this devolved settlement. Whenever I discuss this, I always have her in mind and am always careful to make sure that I speak the words “Yorkshire and the Humber,” but I am grateful to her for reminding us.

I was in the process of reflecting on how we got to where we are. All hon. Members will know that last year, as other parts of the country moved ahead with their devolution deals, we reached an impasse in Yorkshire. In response, the councils of Barnsley and Doncaster secured a regional deal received large amounts of money, whereas the Yorkshire and Humber area seemed to be left behind.

Stephanie Peacock: I congratulate my hon. Friend on securing this debate. Does he agree that the very clear result of the community poll should have been held before they signed up to the deal, not afterwards.

If I might say so, I think that is a very strange interpretation of the result. The result was a decisive mandate for the leadership of Barnsley and Doncaster councils and a clear endorsement of the wider Yorkshire deal. It is absolutely right that we listen to what the people have told us. If we do not, we will be failing not only to listen but to understand that, right now, for parts of the country and particularly in the north of England, as I hope the hon. Gentleman would acknowledge, the status quo is not delivering. People are disillusioned, and they have a right to feel that way.

Dan Jarvis: I will give way in just one moment, once I have given the marching orders as they have been sent to those of us representing Barnsley and Doncaster. The marching orders are thus: go back to the Government and get the deal the people want.

Philip Davies: Would it not have been more helpful if the community poll had been held before Doncaster and Barnsley signed up to a South Yorkshire deal? In fact, it seems to me that the community poll showed that they had been so badly led by the Labour leaders in Barnsley and Doncaster that they had signed up to something that they clearly did not want. Surely the community poll should have been held before they signed up to the deal, not afterwards.

Dan Jarvis: If I might say so, I think that is a very strange interpretation of the result. The result was a decisive mandate for the leadership of Barnsley and Doncaster councils and a clear endorsement of the wider Yorkshire deal. It is absolutely right that we listen to what the people have told us. If we do not, we will be failing not only to listen but to understand that, right now, for parts of the country and particularly in the north of England, as I hope the hon. Gentleman would acknowledge, the status quo is not delivering. People are disillusioned, and they have a right to feel that way.

Just over 18 months ago, the people of Barnsley and Doncaster overwhelmingly voted for Brexit, in part because they felt powerless and in part because they felt tired—tired of being left behind and powerless to do anything about it. It is not hard to see why. Not only do the people of Yorkshire receive an income that is 80% of the national average, but they also receive £300 per head less in terms of public spending, which results in education and health outcomes lagging well behind those of more prosperous regions.

Paula Sherriff: I congratulate my hon. Friend on securing this debate. Does he share my frustration at the recent Budget, in which areas that had secured a regional deal received large amounts of money, whereas the Yorkshire and Humber area seemed to be left behind?

Dan Jarvis: I absolutely share the frustration that my hon. Friend expresses. I am seeking today to engage in the most constructive fashion with the northern powerhouse Minister, and I think this represents a very important opportunity for him and for the Secretary of State to send the strongest signal of intent to the north of England that they are listening to what people are saying, and are prepared to make decisions that best serve those people’s interests.

Judith Cummins: I congratulate my hon. Friend on securing this very important debate. Does he agree that, if Government get behind the coalition of the willing, a deal for Yorkshire will be possible?
The Secretary of State needs to deal with this issue with the utmost importance and get a date in his diary to meet with Yorkshire leaders as a matter of urgency. To do otherwise would be a terrible indictment of his commitment to securing a deal for Yorkshire.

Dan Jarvis: I absolutely agree with my hon. Friend. She knows that this Friday in York, the coalition of the willing—leaders from across our area—will meet to reaffirm their support for the wider Yorkshire proposal. I very much hope that when the Minister sums up, he is able to confirm that either he or the Secretary of State will arrange a meeting to sit down with those local government leaders and discuss the way forward.

I was explaining the fact that results in education and health outcomes mean that in our area we lag behind other more affluent parts of the country. I do not begrudge any other part of the country its affluence, but I do understand why people in our region are disillusioned and angry. That desire for Brexit, and the need for devolution, are symptoms of the same malaise. I believe that if we are to make Britain healthy again and heal its divisions, we need a new economic and political settlement that involves genuine devolution of political and economic power that will spread prosperity and opportunity to towns and counties of all regions.

In short, if we are serious about closing the north-south divide, piecemeal changes simply are not good enough. The solution must be as ambitious as the challenge is profound. That is why I believe that a wider Yorkshire deal is the way forward. By working together across the whole of our county and, like in the west midlands, not being confined to just one city, we would have the collective clout and the brand reputation to cooperate for—a wider Yorkshire deal—because they believed that that would be in their economic interests.

Kevin Hollinrake (Thirsk and Malton) (Con): The hon. Gentleman talks about “wider Yorkshire” and “one Yorkshire”. Are his constituents who voted in the recent referendum aware that it will not encompass all of Yorkshire because Sheffield does not want to be part of that settlement? Are they aware of that?

Dan Jarvis: If the hon. Gentleman bears with me, he will hear me refer to that later in my speech. The purpose of this debate and of my remarks is to try to move us from where we are now to a place that delivers the best opportunities collectively for our region. My constituents were very clear about what they were voting for—a wider Yorkshire deal—because they believed that that would be in their economic interests.

The economic case for the wider deal is profound. That is why it is supported not just by the Confederation of British Industry, but by the Federation of Small Businesses and the Trades Union Congress. When Carolyn Fairbairn, the director general of the CBI, told The Yorkshire Post that wider devolution would be “good for jobs, good for growth”, and for unlocking investment and building confidence, I could not have agreed more. When Bill Adams, regional secretary of the Yorkshire TUC, told The Yorkshire Post that we can “combine the advanced manufacturing of South Yorkshire with the energy hub and ports of Humberside, the tourism and agriculture of the North with the financial and manufacturing centres of West Yorkshire”, I could not have agreed more. Both nationally and internationally, a single Mayor would provide the single voice required to unlock the much-needed new investment. That is critically required in areas such as our transport system.

The inequality in transport spending between north and south has been well documented, but it is worth repeating just how bad the situation has become. London is set to receive 10 times more transport investment than Yorkshire. Because of that, Yorkshire’s transport system is out of date, unreliable and expensive. The separation of transport executives, each with its own precept and fares structure, makes short journeys, such as the 20-minute trip from York to Doncaster, prohibitively expensive. Twenty pounds for an anytime day return is too expensive for working people, and far too expensive to promote the growth that our region needs. A wider Yorkshire combined authority directing investment decisions and using its purchasing power to negotiate with transport providers would address that lack of integration, improve bus and rail services, promote growth and leverage further investment.

Devolution is about more than just transport infrastructure. It is about accessing funding for skills and training, building affordable homes, and preserving our unique culture, countryside and heritage by working together, harnessing our talents, combining our energies and maximising our influence, all of which is in reach.

The people of Barnsley and Doncaster identify with being part of Yorkshire, as do people across our region. The sense of place, community and belonging that comes from identifying with Yorkshire is, in many ways, our greatest asset. As such, we need to make use of it, but I accept that all that is easier said than done, because first we need a consensus between the Government and local authorities in our region. For that to happen, we need a new plan that is carefully considered and painstakingly developed and comes from listening to and understanding all the different views. That will take more time, so first we need an interim solution not only to preserve the goal of a wider Yorkshire deal, but to allow the Sheffield city region to begin to see the benefits of devolution and give everyone concerned the time and space needed to work on a deal.

With the right political will, I believe that holding a wider Yorkshire mayoral election in 2020 is entirely reasonable and achievable, but as things stand we are on course to elect a Mayor of the Sheffield city region in May. The newly elected Mayor would have so few powers that spending up to £2 million on this election would undermine not just his or her position, but the credibility of the whole devolution project. People in Barnsley and Doncaster would rightly feel further disenfranchised and ignored. Indeed, if we are prepared to ignore an 85% majority, what does that say about the state of our democracy?

Today, the leaders of Barnsley and Doncaster councils have written to the Secretary of State setting out a clear plan proposing that an interim Mayor of a Sheffield city region should be appointed for two years while negotiations for a wider Yorkshire deal proceed. That follows the precedent set by my hon. Friend the Member for Rochdale (Tony Lloyd), who at the time was the police and crime commissioner for Greater Manchester.
and was appointed the interim Mayor of Greater Manchester in 2015, with an election being held two years later.

That would mean that the Sheffield city region could access the money and powers sooner rather than later, and that the four councils could consult on a scheme in respect of the additional powers contained in the existing Sheffield city region deal. It would also leave those councils that wish to proceed with a wider Yorkshire deal—the so-called coalition of the willing—free to continue their negotiations and potentially to form a shadow combined authority in which they could work for a wider Yorkshire deal. Barnsley and Doncaster would then be free to join that wider deal as and when it is agreed. Sheffield and Rotherham would also be free to join it, or they could continue with their own city region deal and hold an election at the same time in 2020. That framework embodies both compromise and progress. It is a good offer.

In conclusion, I ask only that the Minister listens to the people of Barnsley and Doncaster. They were very clear in what they said, and it would be wrong for them to be ignored, not least because the Secretary of State was right when he told the Local Government Association that the driving force behind devolution is the desire to bring decision making to a more local level. Now that the people of Barnsley and Doncaster have made their decision—all we want is the very best for Yorkshire and the Humber—we need to put that decision into practice.

Kevin Hollinrake: Does the hon. Gentleman's plan mean that other areas of Yorkshire would not be able to push ahead with a deal before 2020, even if they wanted to? Does it stop anyone else moving forward with their own deal?

Dan Jarvis: The hon. Gentleman would accept—or I hope he would—that the majority of local councils, including North Yorkshire, West Yorkshire and South Yorkshire, have indicated their support for a wider Yorkshire deal. That is what they will be discussing in York. This is not a political argument, in the sense that there is cross-party support. As I am sure he acknowledges, there are some incredibly decent and talented members of his own party, leaders of local government, who strongly share the view that it is in our collective interest to have that wider deal.

We now need a process of negotiation, which is why I very much welcomed the fact that the Secretary of State sent a letter to the leaders of Barnsley and Doncaster councils just before Christmas. It was a very good letter, which initiated a process of negotiation that we are developing further today. It is important that we do that while being mindful that we are working to achieve what is in the best interests of the people we are elected to serve.

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend on securing this debate. Would the discussions he envisages involve the north Lincolnshire authorities? As he said, it is important that the whole of the Humber, as well as Yorkshire, is involved in this process.

Dan Jarvis: Absolutely. I would envisage that. I hope my hon. Friend is able to put that point to the Minister, because I would be interested to hear the Government's view.

My view, as I reflected a moment ago, is that it is incredibly important that the deal is for Yorkshire and the Humber—both banks. Therefore, as part of the coalition of the willing, it is very important that the partnership relationship exists.

Alec Shelbrooke (Elmet and Rothwell) (Con): I have listened carefully to what the hon. Gentleman is saying, and I seek clarification on his comments; I am happy to be corrected if I am wrong in my understanding. Is he saying that at the end of the process, if Sheffield and Rotherham councils do not want to break away from the Sheffield deal and carry on, only Barnsley and Doncaster councils will come into the Yorkshire deal, and Sheffield and Rotherham will stay separate and on their own? That is not the Yorkshire deal. Is this just a mechanism for Barnsley and Doncaster to remove themselves from the deal agreed on and come into another deal? That would undermine the whole “one Yorkshire” argument that he is making. I seek clarification on those points.

Dan Jarvis: The hon. Gentleman makes a reasonable point. It is designed to be a mechanism that provides the best possible deal for our region. I think that everybody here would accept that we have broken away. Other parts of the country, such as the west midlands, Greater Manchester and the city of Liverpool, are now moving forward with the devolution deals that they have agreed.

What we are looking to achieve is an arrangement that would give Barnsley and Doncaster the flexibility to move into a wider Yorkshire deal in 2020 if that were an option, but would also not bind the hands of our good colleagues and neighbours in South Yorkshire, Sheffield and Rotherham. It would be for them, in consultation with the Government and other members of the combined authority, to take a view on whether they see their future as part of a Yorkshire deal or wish to proceed with their own Sheffield city region deal, which could include neighbouring parts of the country as well.

Alec Shelbrooke: I am most grateful to the hon. Gentleman for being generous with his time. To develop that point, is it suggested that the East-West North Yorkshire deal would be developed, and that Barnsley and Doncaster could then choose to join it, or is that what would happen at the start? If councils in West, East or North Yorkshire did not want to join in with South Yorkshire, would they be able to stay out of it?

Dan Jarvis: The hon. Gentleman rightly presses me on points of detail. Those are precisely the points that will be discussed by the coalition of the willing when it meets in York on Friday, and they are precisely the important points that should be discussed in any subsequent meeting with those leaders and either the Minister or the Secretary of State. However, the purpose of this debate is to provide a response to the constructive letter received by the leaders of Barnsley and Doncaster from the Secretary of State just before Christmas, and to continue that process of negotiation, so that we can work towards a deal that best serves the interests of the people across our region.

Mr Clive Betts (Sheffield South East) (Lab): I thank my hon. Friend for securing this debate. I feel comfortable with a lot of what he has said; it is based on the
Secretary of State’s letter before Christmas saying that if districts want to leave the Sheffield combined authority city region at some stage for another arrangement, they should be free to do so, but equally, if districts want to remain there, particularly Sheffield and Rotherham, they should be free to have a devolution deal.

My one concern about his proposal—I have spoken to him about this—is whether it sends the right signal, given that devolution is ultimately about transferring powers to people. The first thing that we are saying to people is, “You can have a Mayor and an arranged devolution deal from May, but by the way, you can’t be involved in electing this Mayor; the political leaders will choose them.” I am not sure that that sends the right signals to people about what devolution is all about.

Dan Jarvis: I am grateful to my hon. Friend, and I was grateful for the opportunity to discuss this with him earlier. I appreciate that there is much in what I have said that he feels he can agree with. He raises an important point, but it must be set against the fact that an overwhelmingly decisive mandate has just been delivered to the leaders of Doncaster and Barnsley councils to pursue the Sheffield city region deal. I accept that these are perhaps imperfect solutions, and I accept that we are not in the place where any of us would have liked to be when we embarked on this journey some time ago, but the most recent democratic mandate is the one delivered emphatically by the people of Barnsley and Doncaster just a couple of weeks ago.

Julian Sturdy (York Outer) (Con): I am listening carefully to what the hon. Gentleman is saying; he is making an articulate argument. I agree that we need a solution for Yorkshire, and that that solution must be ambitious, as he said. However, I want to pick up on one point that he made. He mentioned a wider Yorkshire deal by 2020. I know that he is making the case for Barnsley and Doncaster, but as an MP for York and North Yorkshire, the idea that we might not have devolution until 2020 worries me. Will he consider bringing forward devolution in other areas across the county as well, such as in the greater Yorkshire deal, and then considering amalgamating it all, perhaps by 2020, into a wider Yorkshire deal, so that all areas of our great county start to get the benefits of devolution?

Dan Jarvis: The hon. Gentleman makes an important point. It is interesting, in the run-up to this debate, that some people have said to me that we should press for a wider Yorkshire settlement earlier than 2020, and other people have said that it is unrealistic to expect that a deal could be done within that time frame. His basic point is absolutely right: we need to work constructively with the Minister and the Department to strain every sinew to ensure that our part of the world has, at the very least, an equal playing field on which to compete with other parts of the world.

I will make one further point, which is the essence of the case that I am trying to make. I do not say for one moment that Yorkshire and the Humber should be a special case, but I do believe—I make no apologies for stating it in these terms—that it is a special place. There is something special about what John Sentamu described this morning as God’s own county. There is a huge strength in our diversity. If we could create an arrangement that brought together 5.3 million people into an economy bigger than 11 EU nations, we would truly be a force to be reckoned with, not just in this country but around the world. In the far east—China, Japan or wherever—it means something to them, and it means something to us. This is a once-in-a-generation opportunity to put in place an arrangement that could be really meaningful for the people we represent, and I very much hope that we will not miss out.

In conclusion, I reflect back on the decisive results delivered across the north of South Yorkshire just before Christmas. We need to put into practice the decision taken by those people. We need to find a solution and to seize this once-in-a-generation opportunity that we have been given to drive forward the northern powerhouse and give the Yorkshire region the chance to transform its economic and political future. I say to the Minister in all good faith that not many Ministers are given the opportunity to do what he has the opportunity to do now. I hope that he will take it up.

Mark Pritchard (in the Chair): We have at least nine Members standing, and nine or 10 minutes to spare. I can call nine people for one minute, or fewer people for longer. Following Mr Speaker’s example of trying to empower Back Benchers, I call Kevin Hollinrake.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this important debate, and on the constructive way in which he has handled the issue. It feels as if we are making some progress, although perhaps we are not in a perfect position yet.

To respond to some of his points, I think that there is a clear feeling across Yorkshire that we are being left behind. On the status quo, nobody whom I have spoken to in Yorkshire who is interested in the economy or politics feels that the status quo is what we want. We know that we need to move forward as quickly as possible. It is about money and powers. It is also about attracting the right person to come forward to lead a Yorkshire devolution deal.

The hon. Gentleman talked about two options—well, one option, really: one Yorkshire or wider Yorkshire. We know that that deal is not on the table at the moment, because of the deal that has already been agreed, yet he proposes that we set conditions on the deal to tie it to another deal that might be agreed. Why do we not just move ahead with the other deal? The South Yorkshire deal can move ahead today, and we can move ahead with a greater Yorkshire deal—a Yorkshire-wide deal. Then we would have two devolution deals in place, and all the money can come in behind that—that is what people are interested in. They are interested in the money, the powers and attracting the right person, but the hon. Gentleman is putting roadblocks in the way of that. I am not saying he is doing so deliberately, but the reality is that we can move ahead today.

Mark Pritchard (in the Chair): Order.

Edward Miliband (Doncaster North) (Lab): I support the case made by my hon. Friend the Member for Barnsley Central (Dan Jarvis). On behalf of all Doncaster MPs, I congratulate him on securing this debate.
I want to make one very brief point. Devolution is about listening to local people, and the feeling in Doncaster could not be clearer. There was a unanimous view in the council—Labour, Conservative, Mexborough First and independent—in favour of the wider Yorkshire deal. The business community, through the chamber of commerce, said it wants a wider Yorkshire deal, and so did 85% of the public on a turnout higher than that for the police and crime commissioner elections. I appeal to the Minister not to impose on the people of Doncaster an election they do not want. Work with us, my hon. Friend and the coalition of the willing to create the deal we want, and go for my hon. Friend’s solution.

Lee Rowley (North East Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this debate. I feel slightly like an imposter at the party, because I come from the best county in the country—Derbyshire—so I am looking across the border at this issue.

I want to make one very brief point. The Sheffield city region proposal, which has been part of this discussion for a number of years, has at times included elements of Derbyshire. Quite a number of us over the border in Derbyshire have had significant reservations about the proposal for many years. We were pleased when Chesterfield Borough Council finally withdrew from the Sheffield city region a number of months ago.

I will not take up more time than the minute that I have, given the obvious importance of this issue to all colleagues across the ridings of Yorkshire and their real passion. I just want to say that Derbyshire is and has always been different from Yorkshire, and it does not want to participate in a Sheffield city region if that continues.

John Grogan (Keighley) (Lab): I am looking at the occupants of the two Front Benches, and never have two proud sons of Lancashire had more opportunity to do something for God’s own county.

I have three very quick points. The letter from the Secretary of State before Christmas was very significant, because for the first time the phrase “one Yorkshire devolution” was used in a ministerial letter. I have some questions about that concept. First, the letter talked about all other councils in Yorkshire agreeing an all-Yorkshire settlement. Does that mean that every council, including Wakefield, has to agree to it?

Secondly, why cannot talks on those proposals start now? In December, the press spokesman for the Department for Communities and Local Government said that so long as there is an agreed proposal, talks can begin. Will the Minister confirm, as my hon. Friend the Member for Barnsley Central (Dan Jarvis) suggested, that talks can begin immediately in January so we can have a settlement long before the Tour de Yorkshire in May?

Finally, will the Minister confirm that it is policy to schedule all mayoral elections across the country in 2020? If so, an all-Yorkshire election in 2020 would fit very nicely with that.

Mark Pritchard (in the Chair): It is not a conspiracy, but I am a Lancastrian too.

Tracy Brabin (Batley and Spen) (Lab/Co-op): I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis). With the time against me, I want to make one short point. You may be aware of my interest in the cultural industries, Mr Pritchard. I believe that this is an opportunity for branding big style. Yorkshire has more than played its part in contributing to British culture. Just look at the success of Hull as the city of culture and Sheffield as a leader in animation and digital content. Screen Yorkshire in Leeds is the biggest investment fund of its kind in the UK, with £15 million for film and TV filmed regionally. We have brilliant shows—“Peaky Blinders”, “Dad’s Army”, “A Month in the Country”, “Catch Me Daddy”, and “The Damned United” to name but a few. With our skilled workforce, world-class locations, history, space and value for money, Yorkshire could be a filming attraction the world over.

Thinking big about the north was supposed to be the role of the northern powerhouse, and devolution was a central plank. We have not moved nearly fast enough towards Yorkshire devolution for too long now. It is the new year, so I implore the Minister to make a resolution to make 2018 the year that the whole of Yorkshire sees devolution.

Hilary Benn (Leeds Central) (Lab): This is a major opportunity to break the stranglehold of centralisation and to liberate Yorkshire to fulfil its potential, because while these arguments go back and forth we are missing out on getting the means that we require to make the most of the potential of the more than 5 million people of Yorkshire. We have heard about the inequality in transport investment. We are not making the most of our economic potential. At a time of Brexit, it is absolutely vital that we do so. We must invest in infrastructure and skills, attract people and provide homes for them, but we lack the means to fulfil that potential at the moment. I welcome the progress that has been made, but I hope that Ministers will hear that we are making a simple plea: if they give Yorkshire the tools, we will do the job.

Rachael Maskell (York Central) (Lab/Co-op): I thank my hon. Friend the Member for Barnsley Central (Dan Jarvis) for the pragmatic way he set out the issue. It is a process not an event, and therefore we need to look at what has happened over the past few years. In my city, York, our council was in a very different place, and wanted a deal with North Yorkshire to start with. Thankfully, it moved on, and is now urging the Minister to put in place a wider Yorkshire deal.

As different authorities have moved forward in this process, it is important to assess where we are now and move forward in the way my hon. Friend set out. We desperately need investment. We will be leaving the European Union in just 14 months’ time, so we need the leverage of Yorkshire’s size. If it comes together, it can bring in the trade and inward investment we desperately need so we do not end up with not just a north-south divide but an east-west divide as we start to become the poor relative of the rest of the nation.
Alex Sobel (Leeds North West) (Lab/Co-op): Yorkshire is a self-confident, prosperous and culturally coherent UK region. In 2017, it contributed about 7% of UK GDP. Yorkshire’s greatest institutions, businesses and citizens have profoundly shaped our national story. Yorkshire people are proud of being part of Yorkshire, and it is time that policy makers acknowledged our unique identity.

Yorkshire is demonstrably not a place with one metropolis around which the rest of the historic county revolves. It is simply not suited to the Government’s policy for devolution in the form of metro Mayors or city regions. My constituency is a case in point: it ties together the university, urban areas, rural areas, market towns and villages. A broad, county-wide deal that recognises the reality of our region’s identity, variety and strengths would be better for directing investment and spreading opportunity fairly. I cannot conceive that anything other than a single Yorkshire authority could have the muscle to deliver on such monumental challenges.

Aligning a single Yorkshire election with those for other devolved authorities in 2020 makes sense. Following the letter from Barnsley and Doncaster, we can see the Yorkshire Mayor taking their post in 2018 as a strength, and can look at how to retain the views of South, West, North and East Yorkshire and the Humber within a “one Yorkshire” model. Let us get a road map and move towards that model.

Mark Pritchard (in the Chair): Before I call the Chair of the Select Committee, may I say the first shall be last and the last shall be first? The Minister, in his generosity, has allowed an extra couple of minutes, so Mr Betts, you have two minutes, rather than one.

5.7 pm

Mr Clive Betts (Sheffield South East) (Lab): Thank you very much, Mr Pritchard. I thank the Minister for that as well. He is assuming that what I have to say might agree with what he thinks, but there is a slightly discordant note about the longer term. I have real reservations about having one elected Mayor for Yorkshire. I see it as a centralising rather than a devolutionary move. Decisions that are currently worked out at a city region level on transport would be transferred to a Mayor, presumably based in Leeds. I have real concerns about trying to pull together the transport interests of Whitby and Sheffield. Actually, Sheffield has got a real interest in working with the Mayor of Manchester to get proper trans-Pennine routes. That is really important, and we do not have to have the same Mayor for those areas to achieve that.

Advanced manufacturing is doing very well in Sheffield and Rotherham at present. We did not achieve that by going around the far east waving a banner saying, “Come to Yorkshire.” We did it by hard graft, with a local industrial strategy that is working and delivering on the ground. I am not sure that having a Mayor for Yorkshire will add value to that process at all.

I respect the fact that my hon. Friend the Member for Barnsley Central (Dan Jarvis) has brought some interesting ideas forward, based on the Secretary of State’s helpful letter about how to find a way forward for the four South Yorkshire districts, as part of the Sheffield city region, that want to move into a wider deal if one becomes available, and allowing them to do that without anyone being able to block that. That is helpful. It is also helpful that if Sheffield and Rotherham want to stay in their own deal, they will be able to do so.

It seems to be accepted that we will have some arrangement for two years, with a proper deal, properly funded, and with proper powers. The one issue of concern now is: how will that Mayor be elected or appointed? I do not think it conflicts in any way with the referendum that Barnsley and Doncaster have had to say, “Those districts still want to work towards a wider deal, in line with the referendum result, but, in the meantime, if we have a Mayor and have a deal, should the Mayor be elected or appointed?”

I have real reservations about saying to the public, “You are going to have a Mayor, and the political leadership is going to choose them.” I find it really difficult to square that part of the proposal with the whole issue of accountability and enfranchisement and the powerlessness that people feel.

I wonder whether we can have a discussion. Perhaps there is a way of saying that, if there is an election, it should be for just two years, to bring it in line with the 2020 deadline. That shorter period would give districts the opportunity to reappraise at that point whether they want to move on to another deal, if available, or stay with the existing deal. I hope that is a helpful suggestion about having an election, but doing it in that timeframe.

Mark Pritchard (in the Chair): In fact, the hon. Gentleman had an extra 30 seconds because of Mr Sheppard’s generosity in giving up 30 seconds. The Scottish National party now have four and a half minutes, the shadow Minister will have five and the Minister, eight, with two minutes for Mr Jarvis’s wind-up.

5.10 pm

Tommy Sheppard (Edinburgh East) (SNP): Thank you very much, Mr Pritchard. I rise to speak on behalf of the SNP in the debate, and I have to say that I feel like I have gatecrashed someone else’s party to some extent. However, Standing Orders dictate that I say something, so I very much wish to. We do not have a dog in this fight—of course, if it came to a vote, we would probably be prohibited from exercising our judgment under the current Standing Orders anyway. None the less, we do watch the debates in Yorkshire and elsewhere in England with great interest.

To some extent, there is a similarity between the campaign we had to achieve a devolved national Parliament in Scotland—and our campaign to go further and have devolution so complete that we have independent control of that Parliament—and the campaign for English devolution, inasmuch as they are about changing the constitutional basis of the governance of these islands. In terms of the political ambition that drives this debate, there is much that we share and very much support.

People often talk about devolution and the English regions in the same breath, but they are not the same thing. I want to make one important point of difference. The campaign for the establishment and extension of the Scottish Parliament is not about the decentralisation of public administration within a common political framework. It is about allowing the creation and evolution of a different political framework, which will allow a different set of choices to be made, whether that be
within the United Kingdom or without the United Kingdom. That is slightly different from the campaign for English regional government.

However, we very much support the idea of devolution and decentralisation within England. We only have to look at a motorway map of the United Kingdom or the inter-city rail network map to see that, for far too long, strategic thinking and planning in the United Kingdom has been dominated by a desire to make the periphery connect to the centre, rather than the creation of sustainable regions of the country that can interconnect and achieve a much greater benefit. The debate is part of breaking that down, and we very much welcome it.

There ought to be some sort of national English plan. For far too long, central Government has ducked this question and, just because it is too difficult or there is not support in some areas, they have been unable to come up with a strategic plan into which these things could locate. I hope the Minister will say that that is somewhere on the horizon, because in the absence of that plan, the city deal, city region and city Mayor proposal is about pushing something ahead in an area where little resistance is expected. What seems to have happened in this instance is that resistance has come about both within the proposed city region area and in neighbouring areas.

Without wishing to take sides or make any particular prescription, it seems to me that surely the only thing Government can now do, given the level of dissent registered to their plan, is to press the pause button, bring people together and have a proper consultation about how decentralisation can go forward in Yorkshire on a basis on which all participants can agree. If it is pushed through without that consent and agreement, it will be ill-fated and will not work.

5.14 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis) on bringing this timely and important debate on English devolution. What this Parliament has not done sufficiently is hear what the public were saying during the EU referendum campaign. We are going through the transactional debate with the European Union about trade terms and our future relationship in a way that most people feel completely disconnected from. What people were saying during the campaign was that they are sick and tired of accepting that the way things have been done for generations is going to be continued in the future.

The real, lived experience for many people in this country is that their communities and families have been left behind. The industries that used to support our towns and that many of our towns and cities were built on do not exist anymore, and the well-paid, decent working-class jobs are not there for future generations as they were for the generations before them. People growing up and raising families in those areas have a right to say that they will not accept that settlement.

Government cannot continue to command and control from this place, misguidedly believing that that will change the way the country works in every community across our diverse and complex land. The problem with devolution as it stands is, first, that there is an absence of a clear national framework, which means it is anybody’s guess as to how these devolution deals have been constructed, how component authorities have been included and how they will be resourced in the future.

There have been contradictory approaches from the Government in terms of where power sits. In some areas, we see skills being devolved but educational powers taken away and centralised in this place. Local authorities’ involvement in local schools is completely taken away, but then they are told to sort out the schools’ problems and fix a broken system for young people who have been let down.

I am not one for regional assemblies and regional government. There is a tendency in the new structure for power to be taken from the ground upwards, rather than given away from the centre. That is not in the spirit of devolution. I was resistant to regional assemblies because I saw that taking place. Yorkshire is the exception to that rule. What is devolution meant to be about? Devolution ought to be about people and place. Before we construct any governance arrangement, we ought to pay proper consideration to the sense of belonging that people feel to their community.

Kevin Hollinrake: Will the hon. Gentleman give way?

Jim McMahon: I will not, because I am conscious of the limited time we have.

Members will know from the areas they represent that many of our communities have not got over the 1974 reorganisation that created metropolitan boroughs. They will hark back to the days when their local district council used to exist and their sense of belonging. The one thing that would survive all that reorganisation in Yorkshire is the sense of being Yorkshire. We ought to take into account that very strong and powerful sense of belonging.

The other thing is that the foundations of devolution are extremely weak. The cuts that have been made to many local authorities across Yorkshire mean that their basic everyday survival is at risk. Adult social care and children’s safeguarding pressures are significant, and councils are looking to the future and wondering how they are going to make ends meet.

The deal that has been on the table so far has been crumbs off the table. The Government are saying, “If you’re willing to come round, there are a few million pounds for housing and for transport.” The regional imbalances will continue—London gets the lion’s share and our regions get left behind—but that cannot be the future.

From the Opposition Front Bench, I want to put an offer on the table. This is our position. We have heard from some parts of Yorkshire about an interest in looking at a “one Yorkshire” deal, but we have not yet tested the appetite across Yorkshire for what could be a comprehensive deal covering the whole region. My offer to the Minister is this: why do the Government not come round, in a proactive way, at a Yorkshire-wide referendum to ask people what they want? If devolution means anything, it would be the community, from the grassroots, deciding for themselves. That will be a different devolution—I am not proposing the same devolution we see in Greater Manchester, Merseyside, the West Midlands and other areas.
That cannot be at the cost of local authorities. We need to properly work out what the role of those component local authorities is. I would strongly argue that the existing infrastructure of local government is more ready to receive greater powers, greater freedoms and greater funding to deliver local services than central Government, but that can happen only if the Government are committed. What is wrong with asking people what they want?

5.20 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this important debate. He spoke passionately on behalf of his constituents and set out what he believes is a potential solution to the current impasse with the South Yorkshire devolution deal. In fact, an hour or so before this debate, I received a letter from Barnsley and Doncaster councils that set out a proposed solution in a very similar form to his.

Before we talk about what can be done to unblock Yorkshire devolution—it is clear that there is a stalemate—it is important to point out that we are not starting from a green field. The negotiations on the South Yorkshire devolution deal started in 2015. The hon. Gentleman and many of his colleagues were in this House and had an opportunity to engage with their local authority and ask what devolution should look like in South Yorkshire. I accept that he would probably say that times have changed and that the poll with its massive 20% turnout—although the result was emphatic from that 20%—changes things.

I am grateful to get it on record that, as the hon. Gentleman correctly said, the Government set out a compromise solution before Christmas that could enable us to break the stalemate in South Yorkshire. The difference between his proposed solution and ours is that we believe that the best way to ensure that further devolution can take place anywhere else in Yorkshire is to fully implement the devolution deal for South Yorkshire first, including having an election. Back in 2015 and on two further occasions, the four South Yorkshire authorities came to Government and requested that that deal, together with the gain share, was legislated for in this House. It was voted through the House of Commons.

Given the poll in the hon. Gentleman’s constituency, that might not be the ideal solution, but we would face certain challenges in relation to his proposed solution. First, it remains the law of the land that the election for the South Yorkshire Mayor will take place in May. The process for delaying the date of that election would be to ensure that all the councils in South Yorkshire agreed to the election being delayed. As of today, I am not aware that all of them have.

Secondly, the Government would need to agree to a new proposed date for the election. We would need to have a draft order prepared, cleared through the Government’s legal adviser and laid before Parliament. We would then need time to approve it through motions in the House of Commons and the House of Lords and time for the order to come into force. To do that between now and May, given the parliamentary business that we have, looks extremely tight. That is why I hope that all the authorities of South Yorkshire will give proper consideration to the proposed compromise solution that was set out by my right hon. Friend, the Secretary of State for Housing, Communities and Local Government.

I want to set out the terms of that compromise on the record. It is proposed that the four South Yorkshire councils agree to do all that is necessary for the Sheffield city region deal to be implemented as soon as practicable after the mayoral election. That would require them to first undertake the consultation on the functions that should be devolved to the combined authority and to the Mayor and to give their consent to any order effecting that devolution.

The Government would then agree with Barnsley, Doncaster, Rotherham and Sheffield councils that if a “one Yorkshire” solution were to come forward or a deal were developed, and the Government and councils concerned were able to consent to it, the constituent parts of the existing South Yorkshire deal would be free to leave that deal at the end of the initial mayoral term, on the proviso that the transport arrangements covering South Yorkshire had been considered.

I understand from the hon. Member for Barnsley Central that that is not an ideal solution, but it may be a practical one. We have proposed the compromise to all the South Yorkshire authorities and it is ultimately for them, with the compelling result of the referendum in Barnsley and Doncaster in mind, to negotiate between themselves to see if a compromise can be reached. We have had a response from Barnsley, Doncaster and Sheffield; we have not yet had a response from Rotherham.

I make an open offer to the hon. Gentleman that I will work with him and his colleagues to see if such a compromise can be reached. I reiterate that the Government do not intend to undo the legislation of this House to change the date of the election for the South Yorkshire mayoral combined authority election, and even if we intended to do so, I do not believe that it would be possible in parliamentary terms to pass the necessary orders from where we are today.

Melanie Onn (Great Grimsby) (Lab): It sounds as if the proposal that has been laid out by the Opposition has not found favour with the Minister as yet. I hope that that does not preclude any conversations that other authorities across the whole of Yorkshire may wish to have. Would he encourage local authorities to have such conversations—if they continue, which I hope they will—with other authorities in the whole of the Yorkshire and Humber region including northern Lincolnshire?

Jake Berry: I encourage conversations to continue across Yorkshire. One of the key points of the compromise proposed by the Government before Christmas to the four local authorities currently in the South Yorkshire deal was that it did not preclude in any way Yorkshire authorities coming together and discussing what a future Yorkshire devolution deal might look like.

John Grogan: I have asked the Secretary of State clearly states that a “one Yorkshire” deal would include all Yorkshire authorities. It is ultimately for the
authorities in Yorkshire to go away, negotiate and to try to seek a consensus across Yorkshire about whether that deal can be done. All devolution settlements are made on a ground up basis. If the Yorkshire authorities can reach a consensus, “one Yorkshire” will mean one Yorkshire.

The hon. Gentleman also asked when talks can begin. It is not for the Government to dictate when talks can take place between any authorities in Yorkshire. It is up to those authorities.

John Grogan: Will the Minister give way?

Jake Berry: I am sorry; I do not have time. Finally, the hon. Gentleman asked whether it is the Government’s intention that all elections for mayoral combined authorities take place in 2020. The answer to that is no.

5.28 pm

Dan Jarvis: I am grateful to all hon. Members for their constructive contributions to the debate. This is a hugely important issue at a hugely important time. The Minister is right that the process goes back several years, but since 2015 a number of very significant things have happened that he did not reflect on. There was not then, as there is now, a coherent body of local authorities working constructively to achieve a wider Yorkshire deal. A lot has changed since 2015, not least that Britain has taken a massively strategically important decision to leave the European Union, or that we do not have the footprint that was originally envisaged for the Sheffield city region.

I absolutely welcome the letter from the Secretary of State before Christmas; its tone was very constructive and helpful. However, when the Minister raised concerns about the ability to legislate for any change, I thought he was being a little under-ambitious. Where there is political will to make changes, it should be entirely possible to do so.

I very much hope that the Government will look carefully at the detail of the letter. I accept that the Minister has received it only relatively recently, but it is a good offer that provides a sound basis for a further process of negotiation. That process must begin today and continue throughout the rest of the week, because the clock is ticking and it is in all our interests to work together to secure the best possible deal. That is what I am prepared to do, as I am sure everybody else here is.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Westminster Hall

Wednesday 10 January 2018

[Mr George Howarth in the Chair]

Mental Health in Prisons

9.30 am

Ms Marie Rimmer (St Helens South and Whiston) (Lab): I beg to move.

That this House has considered mental health in prisons.

It is a pleasure to serve under your chairmanship, Mr Howarth. I am pleased to have the opportunity to discuss this intolerable crisis. Suicide and self-harm in prison have reached record highs. In 2016, 119 prison suicides were recorded—the highest number since records began—and there were 41,103 incidents of self-harm in the year to June 2017. Again, that is the highest figure on record.

That this House has considered mental health in prisons.

Kate Green (Stretford and Urmston) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. Before getting into the detail of what happens in prison, my hon. Friend is right to draw attention to the fact that many people have mental health problems before entering prison. Does she agree that when the police identify at critical stages that someone is under the care of mental health services, they should be required then to make contact with that individual’s mental health practitioner to get full information on their suitability for custody?

Ms Rimmer: I do, and I thank my hon. Friend for that intervention. What she describes is one major component that is missing and would help to resolve the situation. People are locked up in a small cell for the vast majority of the day, subject to a poor diet and living in inhuman and dirty conditions. Those who were previously healthy often develop depression, anxiety and violent tendencies because they are in effect caged, with little food and no stimulation.

Since March 2017, Her Majesty’s Prison and Probation Service, formerly NOMS—the National Offender Management Service—has been responsible for the management and operation of prisons in England and Wales and for ensuring that the prison environment is safe and decent. The Ministry of Justice is now responsible for prison policy and commissioning of services in prisons. NHS England is responsible for healthcare in prisons, in terms of both physical and mental health. In 2016-17, NHS England spent an estimated £400 million providing healthcare in adult prisons in England. It is estimated that £150 million of that was spent on mental health and substance misuse services, although the exact figure is unknown. All those bodies have a fundamental duty of care, yet as the Public Accounts Committee damningly concluded, they do not even know where they are starting from, how well they are doing or whether their current plans will be enough to succeed in caring for prisoners with mental health needs.

Dr David Drew (Stroud) (Lab/Co-op): Does my hon. Friend accept that another problem is that those bodies do not know where people are going post-prison? I have in my constituency the excellent and nationally reputed Nelson Trust; it has a women’s centre in Gloucester. Its big bone of contention is that it gets very little access to the women before release. With all the mental health problems, drug abuse and victim support issues, it needs access in prison before release. Does my hon. Friend agree that that is crucial?

Ms Rimmer: I absolutely agree and will come to that point later in relation to communication.

The Government’s efforts to improve the mental health of people in prison have been poorly co-ordinated. Information is not shared across the organisations involved and not even between community and prison GPs. For example, NOMS advised NHS England to commission mental health services for a male prison at HMP Downview and then decided to open it as a female prison. Six months later, healthcare was still catching up with those changes. What a shocking failure of government! Clearly, quality systems of working and communication are urgently required between prison management, HMPPS, policy makers and commissioners at the Ministry of Justice and the commissioned contractors for health services and NHS England.

It is clear that not enough has been done to prevent increases in deaths in custody. That was the subject of last year’s Joint Committee on Human Rights interim report entitled “Mental Health and Deaths in Prison”.

The report homed in on why progress has not been made on preventing deaths in prison, despite the numerous insightful and comprehensive analyses produced on the issue following the Woolf report in 1991. Those include reports by Lord Harris of Haringey, the Joint Committee on Human Rights, the Public Accounts Committee, the National Audit Office, the Howard League and the Select Committee on Justice. Those are just some of them. I hope the Minister would agree that there is no lack of knowledge on or information on the problem, as it has been well reported.

While the Joint Committee on Human Rights inquiry was in progress in March 2017, the Government introduced the Prisons and Courts Bill. Following its Second Reading, the Joint Committee wrote to the Government, proposing key amendments, but unfortunately the Dissolution of Parliament got in the way. The Committee instead published an interim report in May 2017. In November, the Chair of the Joint Committee, my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), wrote to the Secretary of State for Justice, expressing her disappointment at the non-inclusion in the Queen’s Speech of the prisons Bill promised before the general election and noting that he had said he would take some administrative steps. The Chair stated in her letter to the Government that the Committee’s findings showed that concrete legislation was needed, and outlined clear steps forward, to ensure that prisoners’ humanity is protected and their welfare safeguarded.

The Joint Committee’s proposals included a statutory minimum ratio of prison officers to prisoners, a prescribed
legal maximum amount of time for prisoners to be kept in a cell and the provision of a key worker for each mentally ill prisoner.

Andrew Selous (South West Bedfordshire) (Con): The hon. Lady has a long-standing and serious interest in these issues. Does she agree that one thing that would help in this area would be training prisoners in work in which they could get jobs on release, to fill shortages out in the community, and that that is part of giving people hope and a purpose, which can help to improve mental health?

Ms Rimmer: I absolutely agree. Undoubtedly, having work would keep people safer outside. It would give them a purpose and be a way of keeping them sane outside, so that they did not go through the revolving door back to prison.

The Chair of the Joint Committee requested, in her letter of 30 November 2017, a response to both the interim report and the letter by 8 January. That has not happened. The Government are refusing to act and therefore showing contempt for the lives of their detained citizens. The Justice Committee’s report of May 2016 stated that the Government had been reluctant to acknowledge the serious nature of the operational and safety challenges facing prisons and the role of their own policy decisions in creating them. Little appears to have changed.

We know that just 10% of the prison population in England are in treatment for mental illness, but recent inspections show that 37% report having emotional wellbeing and mental health problems.

Kate Green: Those figures are shocking. I am sure that my hon. Friend agrees that it is even more distressing that 70% of women in custody have mental health problems.

Ms Rimmer: I absolutely do. The institute of psychiatry, psychology and neuroscience at King’s College London estimates that more than half of prisoners may have common mental disorders, including depression, post-traumatic stress disorder and anxiety, and believes that 15% of prisoners have more specialist needs. Those are significant figures, but guesstimates are not good enough. The most commonly used estimate, which is that 90% of prisoners have mental health issues, dates from 1998—20 years ago. The Government have no idea of the scale of the problem. The Ministry of Justice must address that to plan services and meet needs.

The National Audit Office has recently stated:

“Government does not collect enough, or good enough, data about mental health in prisons, which makes it hard to plan services and monitor outcomes.”

It particularly criticised NHS England for the data collected, which “do not measure outcomes for prisoners, continuity of care or service quality.”

How damning! This failure to monitor poor mental health levels and the mental health services provided in prison simply would not happen in the outside world. It is costing our citizens their wellbeing and sometimes their lives. Let us remember, it is also costing the taxpayer.

The lack of knowledge about prisoners’ mental health exists at all stages of the cycle: on entry to prison, a point raised by my hon. Friend the Member for Stretford and Urmston (Kate Green); during their stay in prison; and after they leave. This means that future prison needs, present prison needs and community needs, and consequently budget requirements, cannot possibly be accurately planned for. For instance, what consideration was given, and finance afforded, to the detained historical sexual abusers? These are elderly people with age-related health needs, such as heart conditions, dementia, diabetes and cancer. The money came from the prison health budget and the issue occurred at the same time as spice arrived. Consequently, there was less money for mental health drug treatment at the most crucial time.

NHS England does not even know what it spends on mental health in prisons. Perhaps the Minister could enlighten us—although I know he is a new Minister.

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): No, I am not. I am the last man standing.

Ms Rimmer: I apologise.

The Government’s own prisons and probation information states:

“Prisoners get the same healthcare and treatment as anyone outside of prison.”

That is demonstrably not the case in our prisons at present. In reality it is clear that our prisoners are struggling with ever-increasing levels of poor mental health and are actively let down by the system. It is impossible to reach any conclusion other than that the Government’s failure to act adequately is exacerbating what is approaching a mental health emergency in our prisons.

The Joint Committee on Human Rights inquiry last year noted that the body of research in the last three decades has overwhelmingly found that the common feature of deaths in custody is a prisoner’s mental health. Figures published by the Ministry of Justice in November of last year confirm that it will have received a “real-terms cumulative decrease”—in other words, a savage cut—of 40% in funding. That is £3.7 billion in a decade by the end of 2019-20. Who is suffering most as budgets are cut to the bare bones? It is prison staff on the ground, working in unsafe conditions and at increased risk of attack; the prisoners in their care; and society as a whole. The cuts have led to dangerous situations in our prisons and have cost lives.

The Howard League report of 2016, “Preventing prison suicide,” damningly concluded that “Staff shortages have increased the risk of suicide” in our prisons. There was a cut of almost 7,000 frontline officers—austerity measures. Was there a risk assessment prior to the prison officer reduction of 7,000? I very much doubt it. I would like to see it, if there was one.

I welcome the Government’s pledge to recruit an additional 2,500 staff by the end of 2018. Unfortunately, only half of these have been recruited so far. I believe this promise will not be sufficient to tackle the issue at hand—the facts speak for themselves. There is a serious retention problem: loss of prison staff is outstripping recruitment at a quarter of prisons, often the most dangerous ones. It has been found that prisoners now
miss an average of 15% of medical appointments, due
to a lack of staff to escort them. The sheer lack of
prison staff at present means that prisoners’ physical
activity is greatly restricted as their safety outside cells
cannot be guaranteed. Some 31% of prisoners at local
prisons report spending at least 22 hours a day cooped
up in their cells as a result of inadequate staffing and
this surely must affect their mental health.

The Howard League reported last year that two
children and young people a week call its advice line
stating that they have problems accessing prison healthcare.
I am advised of two shocking cases. One example was
a child who was kept in isolation at a children’s prison for
months awaiting transfer, despite prolific self-harm. He
was kept in a bare cell with a transparent door for
observation. He was judged by a psychiatrist as not
medically fit to be segregated, but was kept in almost
total isolation for several months before finally being
transferred to hospital. Another child, a 15-year-old
with attention deficit hyperactivity disorder, was not
consistently given his medication. He was isolated and
self-harming, even attempting suicide. It was only after
the Howard League raised concerns on multiple occasions
about his self-harm and severe needs that his pills were
consistently given to him, and it was only when he made
a suicide attempt that any action was taken to move him
to a more suitable placement. I consider that an inhuman
and barbaric way to treat two of our children. Suffer
not little children: surely the fifth richest country in the
world could and must care for such children better and work to rehabilitate them.

Prison psychiatrists overwhelmingly feel that service
cuts have adversely affected their ability to provide care
for prisoners, which is particularly concerning when
there are such inadequacies in transferring acutely unwell
prisoners out of these establishments. There are cases
where the contractors employed by NHS England failed
to carry out the services they were obliged to. In two
cases, their costs were not recouped—how damning.
These are people denied their care, and public funds
gifted. The Government target of 14 days for eligible
prisoners to be admitted to a secure hospital from
prison was met only 34% of the time in 2016-17, 7% waited
for more than 140 days, and one person waited for more
than a year in misery. This is cruelty.

The staff are inadequately trained and only 40% receive
refresher training. The importance of the screening
process has not been sufficiently emphasised to staff.
Staff do not always enter data on the “risk of suicide”
and “risk of self-harm” of prisoners in their records of
these screenings. How can needs be spotted if they are
not identified and recorded? As my hon. Friend the
Member for Stretford and Urmston mentioned earlier,
this should take place at the police station. Even when
the details are recorded, there simply are not enough
prison officers to monitor this adequately.

Evidence received by the Public Accounts Committee
bears testimony to the fact that the increase in suicide
and self-harm in our prisons is in part due to the use of
drugs. I acknowledge the work of Her Majesty’s Prisons
and Probation Service—the number of drug seizures
has increased rapidly with nearly 3,500 services in our
prisons in 2016, following the legislation making spice
illegal, and a new test has been introduced to detect
psychoactive drugs with trained dogs to sniff out these
substances.

The prison estate itself is also in a deplorable condition.
Over a quarter of it was built before 1900 and the
majority was not built with healthcare in mind. We have
all seen the case of HMP Liverpool in recent weeks.
Some of the estate there was in such bad condition—dirty,
rat-infested and hazardous—that it could not be cleaned
at all. The state of that prison was described as one of
squalor, in 21st-century Britain. It is not right that we
house prisoners in such horrendous conditions. Surely
the mental health of anyone living in such unsanitary
circumstances would suffer.

With the Government’s brutal cuts showing no sign
of slowing down, and the need for staff still outstripping
supply in many places, what will this mean for prisoners
with mental ill health in the future? I fear there will be
no substantial improvement for prisoners facing this
plight any time soon. It is in everyone’s interest to
improve this situation, not least because effectively
treating prisoners with poor mental health is essential
to reducing reoffending and ensuring that those who
live with mental health problems can do so more cohesively
in our society and communities.

We have a fine example of where decency works, and
works well: HMP Askham Grange operates on this
principle. It refers to prisoners as residents, and has
built an atmosphere of respectful relationships. Its
reoffending rate is 6%, while latest Ministry of Justice
figures show a national average of a 29.6% reoffending
rate within a year. There are six prisons with executive
governors. Is there any improvement in mental health
outcomes in these prisons? But a bigger question
remains: should people with mental health conditions
be in our prisons at all? Is it as simple as a psychiatrist
making a judgment that someone is, as it is sometimes
said, “bad, not mad,” and should therefore be
incarcerated?

Mrs Madeleine Moon (Bridgend) (Lab): Is it not also
true that prisons have sometimes become dumping grounds
for NHS failure, that sometimes in the NHS it is cheaper
to let the person go to prison than to take responsibility
for their treatment and that that is part of the problem
we face?

Ms Rimmer: Sadly, I accept my hon. Friend’s point.
It is clear that when people who are already prisoners
are acutely mentally unwell, they are being kept in
situations that are doubtless of further detriment to
them and brutalise them. Evidence obtained by the
Joint Committee on Human Rights made clear that
acutely mentally unwell people are too often
“inappropriately being sent to prison as a ‘place of safety’”,
and stated that there is an
“urgent need to resource and make better use of community
alternatives to prison for offenders with mental health conditions,
particularly those who are currently given short sentences”.

I hope that the Minister heeds the points I have made
and I am sure that hon. Members will add to them, as
the interventions have done. I ask him to commit to
looking into the recommendations made by the Joint
Committee on Human Rights and the Public Accounts
Committee. We are at a crisis point in our prisoners’
mental health, and Government should not neglect
their duty of care for those who are incarcerated in our
prisons.
I welcome the steps taken by the Government to address the issue of spice in prisons, but that is just one component of the mental health emergency and does not tackle the root problems. The Ministry of Justice needs to review policy and commissioning, HMPPS to review the management and operation and NHS England to review the whole system of collating data on health, including mental health needs, and the provision of support. These citizens are owed parity of esteem, quality healthcare and the opportunity for the greatest possible mental health wellbeing both in and out of prison. I call on the Minister to address this as a matter of urgency. The Government have a legal obligation, a moral responsibility and a financial duty to treat these mentally ill people with respect, dignity and humanity.

John Howell: I agree with the hon. Lady. This problem goes back to the whole way in which the justice system is set up in anticipating the mental health issues suffered by many of the people who are brought before the courts. If a problem can be identified there, a better treatment can perhaps be undertaken to solve it. A greater emphasis needs to be put on the assessment process, which needs to include a very good assessment of patients’ mental health conditions.

There are two aspects that I want to mention in connection with that. One is the power that we are giving prison governors. I am all in favour of giving prison governors back powers over their own prisons, but as a component of that we have to ensure that prison governors and their staff are fully aware of the mental health issues that they will face. From my visits to the prison in my constituency, I would not want to put a huge amount of greater stress on the prison governor, who is doing a very good job in difficult circumstances, but I would like to ensure a minimum level of mental health awareness at that level so that it can be taken into account. After all, as we are trying to put mental health care workers, or somebody with responsibility for mental health, into schools, it seems only appropriate that we should do the same in our prison estate, where larger numbers of people suffer from those issues.

My second point is the importance of purposeful imprisonment. It is absolutely crucial that we do not allow prisoners to stay in their cells for up to 22 hours a day. We need to find things for them to do. I will mention an example, because I think it predates the time when the hon. Member for St Helens South and Whiston was a member of the Select Committee. We went on a trip to Denmark, where we visited a prison. There is nothing unusual in that, but there was a great deal of unusualness in the way in which the prisoners were allowed to operate. Instead of the “Porridge”-style large prison benches for food, the prisoners were allowed to cook their own food. There was an issue over knives, which had to be chained to the wall, and things like that, but the prisoners could earn their own money, buy food from the shops and cook their own food.

Rebecca Pow: I cannot resist asking a question now, although I will be talking about this in my speech. Does my hon. Friend agree that gardening projects—for example, prisoners growing their produce at the prison and then cooking it—can also be highly beneficial?

John Howell: I agree with my hon. Friend. It is important to recognise the extent of purposeful intent in the prison system; if gardening can fulfil that purpose, it is a very good one. I would like to see more done on prisoners’ ability to cook for themselves. I asked this of a former Lord Chancellor, who assured me that it was being developed within the prison system, so I hope that it is.

That is all I want to add to the debate. It is important and the issues that the hon. Member for St Helens South and Whiston raised are very germane to the topic.

Kate Green: I absolutely agree with the hon. Gentleman about that initial assessment. Does he agree that it is important that, when someone is already under the care of mental health services in the community, evidence is gathered from their own practitioner, and that it is not enough just to gather the evidence, but that conclusions need to be drawn and appropriate routes taken and that may mean not remanding or incarcerating someone as a result of a conviction?

[Ms Rimmer]

There is a high likelihood that prisoners will have some form of mental illness. The 1998 study to which the hon. Lady referred, which showed that 90% of prisoners had some sort of mental health issue, had so many people in it because alcohol misuse and drugs misuse were included within that definition, and that is quite broad.

I want to mention the drugs scene in prisons. We have to accept that two groups of people suffer from drug problems in prison: those who had drug problems before they went into prison, which should have been picked up in the assessment process—I will say something about that in a minute—and those who are switched on to drugs while in prison. The hon. Lady and I both know that a lot of effort is being put in to try to prevent the smuggling of drugs into prisons, particularly as people use more and more sophisticated means, such as drones, to do so. We have to stop these things coming into prisons.

The point made about the need for information sharing and about the assessment process when prisoners arrive is absolutely crucial. From the experience that the hon. Lady and I have had looking around prisons, it is absolutely the case that the assessment process is de minimis: it does not go into the depth that one would expect. That is partly for the historical reason that mental health has been a second service, and I hope that it is now changing.

John Howell: I agree with the hon. Gentleman. It is now changing. Mental health has been a second service, and I hope that the hon. Member for St Helens South and Whiston raised is very germane to the topic.

Liz Saville Roberts: It is a pleasure to serve under your chairmanship, Mr Howarth.
I thank the hon. Member for St Helens South and Whiston (Ms Rimmer) for calling this important debate, and I concur with what the hon. Member for Henley (John Howell) just said about purposeful imprisonment. Before I begin, I must declare my interest as a co-chair of the justice unions and family courts parliamentary group, and I apologise that I have an unavoidable commitment that means I will have to leave before the close of the debate.

A civilised society with a functioning criminal justice system cannot tolerate the present level of self-harm and suicide among inmates. That, and the doubling of the prison population over the past 30 years, is symptomatic: the prison regime of England and Wales is fundamentally unfit for purpose. There is no doubt that our penal system needs reform. The outdated principles of reprimand and revenge must now be tempered by the 21st-century ethics of rehabilitation and repair. I will focus on that second principle of repair in terms of mental health, and I will also touch on the importance of Welsh-language provision in that process of repair.

The prison environment provides an opportunity to control most aspects of inmates’ day-to-day lives. The state should grasp the chance to reduce long-term social costs and improve public safety by addressing such issues as skills deficits and physical and mental health, yet we see unprecedented levels of self-harm and suicide in prisons. It recently emerged that in the past four years four inmates took their own lives within a week of arriving at HMP Swansea.

Extreme overcrowding, harsh budget cuts and severe staff shortages mean that it is increasingly common for inmates to be locked in their cells for up to 23 hours a day. I have seen the cells myself at HMP Liverpool. They were described by the chief inspector of prisons as “squalid, dirty and disgraceful”, with water running down the walls, broken Victorian windows and electricity wires pulled out. I understand that they were pulled out so that people could then use them for attempts at suicide. We can all agree that subjecting anyone, regardless of their offence, to inhumane conditions clearly obstructs any attempt at rehabilitation and can only exacerbate the mental health problems from which so many prisoners suffer.

The Public and Commercial Services Union has considerable experience in this area, representing 2,500 staff working in the HM Prison and Probation Service. In its alternative vision for prisons, it calls for “a place of genuine reform where people are treated in a way as to generate mutual respect and genuine rehabilitation”.

The PCS, with its substantial expertise, proposes a number of important recommendations; most notably, it suggests that the Prison Service’s policy statement should be revised so that its main aim is that “rehabilitation and the avoidance of recidivism is the focus of the prison service”.

To improve the system, the Government must first recognise that they cannot do this alone. They must engage with those who work tirelessly in the sector, and seriously consider their recommendations for improvements. I approached the previous Minister about this matter and I ask the Minister present in the Chamber whether he will agree to meet the PCS and representatives of the justice unions parliamentary group to discuss that new initiative. I am sure we agree that there is real value in working together.

In addition to providing adequate mental healthcare, it is important to create environments in which inmates feel comfortable in which to facilitate repair. One important example is the provision of services in Welsh for Welsh speakers. The Welsh Language Commissioner found the provision of Welsh language services in prisons to be “very, very patchy”. I am aware of that problem from HMP Berwyn, which is the nearest prison to my constituency. When it was set up, we were promised that there would be specific Welsh-language services, but it is very difficult to get information about exactly what those services are. I have constituents who are first-language Welsh speakers who are still being sent to prisons in England when there is space in HMP Berwyn. I ask for that to be addressed as soon as possible. The Welsh Language Commissioner also describes efforts to meet Welsh-language demands as “not very effective” and “not consistent”. I remind the Minister that the Welsh Language Act 1993 is applicable to offender management.

Kate Green: I am interested in what the hon. Lady is saying about Welsh-language provision in prisons for Welsh speakers. Does she agree that there is a need for British Sign Language provision for deaf prisoners who are BSL users?

Liz Saville Roberts: I do. It is evident to me that means of communication and respect are fundamental to how we address mental health and issues of self-esteem. All methods of communication that are more effective for prisoners should be addressed.

I hope the Minister agrees that denying an offender language rights only heightens feelings of isolation and segregation. I ask him to commit to ensuring that Welsh-language provision is strengthened in the prison sector across England and Wales.

Many other Members wish to speak in this important debate, so I will conclude. To truly make prisons a place of rehabilitation and repair, the Minister faces a challenge. I beg of him to approach this challenge innovatively and in the spirit of co-operation. The reality is that by failing to act on the horrifying number of cases of self-harm and suicide in prisons, we are to all effects and purposes condoning haphazard and extrajudicial capital punishment.

Several hon. Members rose—

Mr George Howarth (in the Chair): Order. We have approximately 25 minutes before I call the Front Benchers and four people wish to speak. If people exercise restraint in their use of time, we should get everybody in.

10.5 am

Rebecca Pow (Taunton Deane) (Con): I am delighted to serve under your chairmanship, Mr Howarth. I pay credit to the hon. Member for St Helens South and Whiston (Ms Rimmer) for securing this important debate. If we can make progress, it will make such a difference to people’s lives.

I make no apology for devoting my short speech to the benefits of the environment and gardening in the justice system and how that can have a positive effect on people’s mental health. We know that imprisoning somebody does not in itself reduce reoffending rates.

Mr George Howarth (in the Chair): Order. We have approximately 25 minutes before I call the Front Benchers and four people wish to speak. If people exercise restraint in their use of time, we should get everybody in.
[Rebecca Pow]

To do that we must try, where possible, to give prisoners skills to increase their employability chances once they leave and help them to reintegrate in the community. Environmental and gardening schemes can help to do that and to improve mental health outcomes at the same time.

As I have said in a previous debate, many prisons feel very industrialised. They are covered with tarmac and concrete and have little green space. Evidence shows that when people are not in contact with green space and nature, there is a negative impact on their mental health. I recently contributed to an article in Gardeners’ World magazine—lots of people were surprised that I could get an article into that magazine as a Conservative MP. In that article, I mentioned the benefits of gardening schemes in prisons. It seemed to strike a chord and I got some responses, one of which was an interesting email from Paul Evans, the DART—drugs and alcohol recovery team—strategy manager at HMP Rye Hill.

Paul explained that a gardening scheme had been developed at Rye Hill through a partnership between Garden Organic and the Natural Beekeeping Trust. It is funded by the NHS via the local authority. He was keen to stress that he has seen extremely positive outcomes in his experience of using gardening as a therapeutic intervention. He explained that within a few weeks of working on the garden project, men who had been in the depths of despair, using illegal substances and confining themselves to their cells—we have heard about that from other hon. Members—with no motivation to seek employment were the first to line up at their wing gate in the morning. They were happy to attend and get outside to work.

Gardening caused a positive change in behaviour. The most common feedback that Paul hears from individuals is: “I slept the whole night through last night, and that is the first time I have done that in years”.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): One of my first visits as a new MP was to HMP Shotts. Like HMP Rye Hill, it has a garden centre that the prisoners thoroughly enjoyed. It also has woodwork and other activities. The biggest problem was that there were no staff available for supervision, so the time for those activities, which would go a long way to help their mental health, was very limited.

The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) mentioned the PCS. Let us listen to the staff, who are there full time. I am interested to hear more about the PCS report, and for there to be a lot more official staff.

Rebecca Pow: When I was a news reporter, I went to HMP Leyhill, near Bristol, which had a fantastic gardening project that gave much benefit to the prisoners. They used to do a Royal Horticultural Society garden at Chelsea flower show for which they regularly won gold medals. It is about funding. The project I have mentioned is a well-funded combination of partnerships. We should learn from that.

Coventry University’s independent evaluation of the project showed that the garden often acted as a safe haven for many offenders with mental health issues, helping to relieve symptoms of depression and self-harm, and suicidal thoughts. Even more interestingly, it discovered that the long-term effects often go beyond that. The project has a long-term impact: one prisoner said in a diary entry that it saved his life, having offered him a sense of normality. Gardening projects are quite simple—this is not complicated stuff.

I will give one other example. HMP and YOI Parc, a category B men’s prison and young offenders institution in Bridgend, south Wales, has an extensive garden in which up to 15 prisoners work at a time. It recently won the Windlesham trophy for the best-kept prison garden, judged by the Royal Horticultural Society. I do not know whether you receive the RHS magazine The Garden, Mr Howarth, but it is a really good read. The November issue quotes Parc’s director, Janet Wallsgrove:

“The role of any prison is to keep secure individuals who have been given a custodial sentence, yet also to provide opportunity to bring about change. The importance of the environment within prisons is greatly underestimated—prison gardens reduce violence, improve mental health and teach horticultural skills.”

The article further notes:

“The gardens enable prisoners to work towards NVQ horticultural qualifications, giving the option of a career in horticulture on their release.”

I have met many members of the horticultural industry, and there is a need for skilled workers and employees in the sector. As my hon. Friend the Member for Henley (John Howell) said, we need to find gainful employment and skills for prisoners. This is another opportunity that could be built on.

I recently met the head of sustainability at the Royal College of Psychiatrists. He stressed the mental health benefits of contact with nature and gardening. I hope to work with him on increasing the opportunities for that, which can make such a difference. In my constituency, Taunton Deane, remand clients often go and work outdoors in the grounds of an equestrian centre. Those I have spoken to have said how beneficial it has been. There are also wildlife trust mental health projects—a lot more that can be done in this area.

We know that there is a lot to tackle if we are to deal with sustainability in prisons. Gardening is not a panacea, but it can definitely help. After a debate on prisons, to which many hon. Members present contributed, I received a letter from a prisoner at Littlehey Prison in Cambridge asking for my help to set up a conservation and wildlife unit in the prison. He was inspired by listening to the speeches in the debate and asked me to give him some advice, which I will absolutely endeavour to do. He has been tasked with setting up the unit, which he believes could have a particular benefit for OAP prisoners, of whom there is a rising number in our prisons. Anything I can do to help, I will. I know gardening is only a small area, but I think it should be part of the model for tackling mental health issues in our prisons.

10.13 am

Norman Lamb (North Norfolk) (LD): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for St Helens South and Whiston (Ms Rimmer) on securing this important debate. A lot has been said about the prevalence of mental health issues within our prisons, which is even higher among women than among men. Shockingly, we imprison a large number of people essentially because of their mental ill health—people whose offending is linked in
some way to mental ill health or distress. It seems to me an enormous failure of public policy over many years, for which no single Government are responsible, that so many people with significant mental ill health, learning disabilities or autism end up in our prisons inappropriately. I want to address what we should be doing instead.

First, we incarcerate far too many people in our country. We put far more people in prison than most other civilised European countries. Compare this country with Finland or Germany: Finland incarcerates people at about half the rate we do, but no one suggests that it is an uncivilised country in which lawlessness prevails. It manages its issues in a different way from us—I would suggest a much more civilised way.

Gavin Robinson (Belfast East) (DUP): The right hon. Gentleman mentions incarceration rate. I visited Pentonville jail at the weekend, where the cells are 13 feet by 7 feet. Victorians were not known for their generosity, but their cells were built for one prisoner each. Cells of exactly the same size now regularly hold two or four prisoners.

Norman Lamb: I totally agree with the hon. Gentleman’s point. The hon. Member for St Helens South and Whiston mentioned that prisoners are often put in cells for 22 hours a day. Just imagine what that does to their mental distress, particularly if they are sharing a cell. It is intolerable and uncivilised.

Some good things have happened. The liaison and diversion service that is being rolled out nationally, which began under the coalition Government and was based on Lord Bradley’s recommendations, is a very good thing. The idea is that, as soon as someone with mental ill health appears in the criminal justice system, either in court or in a police station, they can be identified and referred for diagnosis and treatment. The problem is that if we do not have sufficient mental health services to deal with those referrals, we will not achieve nearly as much as we could with a properly functioning mental health system.

Mental health treatment requirements can be used as an alternative to prison. Addressing the underlying cause of offending behaviour似乎 to me so much more sensible, yet the Royal College of Psychiatrists notes a 48% reduction over the past 10 years in the use of such mental health treatment requirements—only 1.2% of offenders with mental health issues receive them. Much more use could be made of that option. I met the Minister a few months ago to discuss it in relation to the west midlands, where I chaired a commission on mental health. A couple of local magistrates courts are seeking to make much greater use of mental health treatment requirements—a really interesting initiative that is worth watching.

Our commission also focused on what happens when people leave prison. Too often, there is no link between the support or lack of it that people receive in prison, and what happens when they leave. They are abandoned in the community, often at enormous risk to themselves and sometimes to others. Professor Richard Byng leads the Engager project to enhance the through-the-gate approach and ensure that it is informed by mental health so that people who work in the through-the-gate system and help the transition from prison back into the community are supported in their mental health needs and linked up to the services they need.

I will end by mentioning a case that is enormously shocking and that I do not think has yet been properly addressed. In March 2013, Phillip Simelane brutally murdered a young girl on a bus in Birmingham. He had not long been released from prison. He was known to have psychosis and a long history of serious mental health problems. His mother, a nurse, had been trying for years to get the authorities to engage with her and provide proper support for her son. She was massively let down by the system, as were Phillip Simelane and the victim who lost her life. Four years on, an independent review considered the lessons to be learned from the case. Its findings, and particularly the comments of its chair Kiran Bhogal, are really shocking:

“it is disheartening and worrying that our review, as with many reviews and investigations before ours, has found that many of the underlying challenges and problems remain despite the commendable effort made by all organisations involved to change practice and procedure...The fact that there remains a risk that these vulnerable prisoners continue to be released from prison without adequate support and supervision leaving them and the general public at risk is of extreme concern.”

I raised this issue in Prime Minister’s questions last year and I raise it again now with the Minister. I would very much like the Minister to meet me and key people from the west midlands to discuss it, because it is vital that we learn lessons to stop similar tragedies from happening in the future.

Several hon. Members rose—

Mr George Howarth (in the Chair): Order. Before I call the next speaker, I remind them that there are two other people left to speak, and 10 minutes left for them all to speak in, before the Front Benchers. It would be good if the remaining speakers could share that time.

10.20 am

Mrs Madeleine Moon (Bridgend) (Lab): Thank you, Mr Howarth. It is a pleasure to serve under your chairmanship and to take part in this excellent debate, secured by my hon. Friend the Member for St Helens South and Whiston (Ms Rimmer).

We know what the problem is—people are coming into prison with mental health problems or, because of the circumstances they encounter in prison, they develop mental health problems, but we are still not being honest in how we tackle those problems. We put society at risk, including the prison officers within the prison system who have to deal with those people. They are behaving in an aggressive, difficult or dysfunctional way not because they are difficult individuals, but because their mental health problems are driving them to express their frustration, anger and psychosis in ways that are difficult to manage. Those same individuals then return to society posing a greater risk than they did when they entered prison. We know the problem—we have known it for a long time and yet we are still not dealing with it.

Recent Ministry of Justice statistics on self-harm among prisoners showed a record high of 41,103 incidents in the 12 months leading up to June 2017, which was a 12% increase on the previous year. This year, self-harm incidents have risen by 10,850, which is up a further 10%. We know that self-harm, which is often a manifestation of fear and frustration, is a major problem. It is also often a precursor to suicide.
We know what the problems are and we know who the experts are in this field. Professor Keith Hawton, the director of the Centre for Suicide Research at Oxford, has done a lot of work in this field. He has shown that both males and females often enter prison with psychiatric disorders, sometimes with multiple disorders, especially depression, anxiety, personality disorders and post-traumatic stress disorder. We know the problems but are not looking at the answers.

May I again draw the Minister’s attention to the excellent work being carried out at Parc Prison under the directorship of Janet Wallsgrove and by Corin Morgan-Armstrong in the Parc Supporting Families scheme? The scheme works very closely with prisoners to maintain their family links, which is such an important thing to do. It also deals with dysfunctionality within the family and relationships with children, so that we do not have the multigenerational problems of people carrying on almost as if there is a family history of prison.

We all know that there is a problem for people in accessing mental health support in prison, and accessing it when they leave. A young girl in my constituency has been in prison almost 30 times and she is not yet 30 years old. Her problems are mental health problems, but each time she has accessed mental health services, the people involved have given up and thought, “Let the prison establishment deal with her problems”. That is an absolutely criminal indictment of the support we give to vulnerable young people.

I will conclude, Mr Howarth, because I am very aware of the time constraints, by commending the work of the Samaritans and its listening scheme, which is such an important source of support for prisoners, allowing them to talk to someone in total confidentiality and to express their frustrations and distress, knowing that someone is listening. It is an important point of access for the person who is suffering from a mental health problem, but learning to listen is also an important skill for the prisoners who take part in the scheme.

We know we have a problem and we know how to deal with it. I appreciate that there are problems in wider society, such that we do not have enough people with the skills to deal with mental health issues, but if we do not tackle this problem in our prison system, it will get worse.

Finally, it is important to train prison officers, to have the right numbers of prison officers who have the right skills, and to recognise that prison officers are no longer just the containers of prisoners. Instead, they are part of the therapeutic environment that prisons must become—just the containers of prisoners. Instead, they are part of the therapeutic environment that prisons must become.

*Chris Evans* (Islwyn) (Lab/Co-op): Thank you, Mr Howarth, for calling me to speak in this very important debate, and I congratulate my hon. Friend the Member for St Helens South and Whiston (Ms Rimmer) on her succinct but very informative speech.

I also congratulate the Minister—the Under-Secretary of State for Justice, the hon. Member for Bracknell (Dr Lee)—on surviving the reshuffle. He is the sole survivor. However, the reshuffle raises a very important issue. For me, the situation is unacceptable. This is the second time in living memory that the Ministry of Justice has been cleaned out in a reshuffle. It is unacceptable that we have had six Justice Secretaries in seven years. Only one of them has lasted for even two years. That has led to inconsistent policy and inconsistent reform, and a lot of things have been kicked into the long grass.

While all that has gone on and while the Government have reshuffled the Ministry of Justice, a National Audit Office report to the Public Accounts Committee, of which I am a member, said that £400 million was spent on healthcare in prisons in England in 2016-17, treating 7,917 mental health patients. However, the inspector of prisons found that 31,328 prisoners, who make up 37% of the prison population, reported having mental health or wellbeing issues. Incidents of self-harm and suicides increased—there were 120 suicides in prisons in 2016, the highest number on record.

Prisons and the probation service estimate that 70% of the prisoners who ended their own life between 2012 and 2014 had mental health needs. Identification of those who need mental health services is not consistent. It is all very well our standing here and saying, “Well, they’re in prison. They’re locked away.” For those of us who have stood in our constituencies and somehow had to find some sort of comfort for grieving families who have been victims of those with mental health problems, that is simply not good enough.

I will cite an example from my own constituency. In November 2014, Matthew Williams went out one night and met Cerys Yemm. They went back together to the Sirhowy Arms hotel in Argoed, where he violently killed her. The Argoed hotel murder case was launched by the Ministry of Justice and found a series of failures. In 2004, Mr Williams had been diagnosed with schizophrenia after spending five weeks in a mental health in-patient unit. However, Mr Williams had been a highly frequent user of drugs since adolescence. Schizophrenia should not be diagnosed during states of drug intoxication or withdrawal. Drug-induced psychotic episodes have very similar symptoms to schizophrenia. After Mr Williams left the in-patient unit, his diagnosis was never re-evaluated.

The Argoed homicide report found that, during his diagnosis, Mr Williams was experiencing a drug-induced psychotic episode, and that there was insufficient evidence to support a true diagnosis of schizophrenia. Mr Williams was on and off medication throughout his life, and not enough support was given to him when he was leaving prison. In fact, he had 26 convictions for 78 offences.

It could be argued that the key affliction affecting Mr Williams was drug addiction. He had been using drugs on the night that Cerys was murdered. Those people who had been in contact with him described him as being “low in mood and pessimistic, but not psychotic”.

The report’s authors believe that his drug use on the night of the murder could have triggered a psychotic episode. Drug addiction was overlooked in favour of a schizophrenia diagnosis—the substance abuse was never truly addressed.

There were inconsistent mental health records: there was a schizophrenia diagnosis, an unofficial undiagnosis and an unofficial personality disorder diagnosis. Medication was prescribed and then unprescribed. Most damningly, Mr Williams was released from prison without medication
and continued with consistent drug use in the two weeks after his release. The lack of consistency in the mental health diagnoses, both inside prison and outside, led to a terrible, terrible incident, the effects of which are still being felt in Argoed and the local community at the moment.

Even though Mr Williams was ultimately responsible for murdering Cerys in a terrible way—I pay tribute to the quiet dignity of Cerys’s family—the escalation of mental health issues such as drug addiction could have been prevented throughout the different diagnoses and follow-up. Consistent care and consistent support could have been provided to Mr Williams, but both in prison and outside he received neither.

We need more structured interventions for people with mental health issues, including personality disorders and substance misuse. There also needs to be better sharing of healthcare information prior to someone’s discharge from prison, between community mental health teams and mental health in-reach teams. That would provide consistency and would be a protective measure against possible relapse in any mental health condition. There should also be follow-up appointments with individuals. The PAC reported on these issues and we call on the Government to act on that report now.

10.30 am

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is an absolute pleasure to serve under your chairmanship today, Mr Howarth. I pay tribute to and congratulate the hon. Member for St Helens South and Whiston (Ms Rimmer) on securing this timely and necessary debate. I commend the effort she has put into such an important debate.

I declare an interest, having worked in a forensic community mental health team for many years prior to entering Parliament, and also at the local state hospital in Carstairs in Scotland. The debate has been excellent and has raised many of the issues that I hoped to cover. I will speak shortly about the issues that have not been raised. I commend everyone who has spoken. The hon. Member for Henley (John Howell), who sits on the Justice Committee, spoke with great expertise and has undertaken extremely valuable work in this area. The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), who has left her seat—I hope I pronounced her constituency correctly—spoke about the importance of learning in prison and language and culture. Learning and having access to education is extremely important in reducing recidivism, in giving people purpose and improving mental health.

The hon. Member for Taunton Deane (Rebecca Pow) is an absolute advocate for Taunton Deane and now also for gardening projects. The importance of recreation and exercise and the other types of industry that we have heard about from the hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney). That is an important point. We must learn lessons from the past.

Suicide and self-harm are obviously significant issues in prison because prisoners are adjusting to a situation that they may never have been placed in before. There is a potential feeling of loss of hope. There is also a culture in prison that people have to acclimatise to, which can be extremely difficult. Also, there are significant issues of bullying in prisons that should be addressed. Will the Minister think about how we can address those issues going forward? All of those issues make it difficult for people going into prison. Aside from people who develop mental health problems when they are incarcerated, there are also people who have had mental health issues prior to going into prison.

On pre-morbid conditions, it is crucial that assessment is done at the earliest possible stage, because someone who is already unwell may require transfer to a secure hospital. It might not be appropriate for them to be in a prison. If assessment can be done earlier in the criminal justice system there might be diversion services that would be more appropriate, depending on the offence.

Vicky Foxcroft (Lewisham, Deptford) (Lab): With the average cost of a new prisoner being £119,000 a year and the ongoing cost in excess of £40,000 a year, does the hon. Lady agree that it is exceptionally important to invest in mental health provision before people end up in prison? Making sure we assess the numbers who are in prison and having accurate records means we are able to do that beforehand.

Dr Cameron: That is a well-made point. Prevention and looking at early diversion and picking up mental health issues where they are the significant issue at play in someone’s offending is crucial. Assessment is more difficult for prison staff and mental health staff in a short-stay prison. I hope the Minister will look at that. There is a high volume of prisoners in short-stay prisons. They come and go in a very short time and it is difficult to get all of the services properly in place, so that will need resourcing. It would help to address those issues.

Co-morbidity has been raised, which is extremely important. We have already heard that many people develop drug problems in prison. That is in fact true and much more must be done to prevent drugs coming into prison, but we also need substance misuse programmes in prison and we need to be mindful of liaison with drug and alcohol services on release, because one of the greatest risks of overdose is when someone has come off drugs in prison and then starts again as soon as they leave. So that is another area of vulnerability.

We must look at particularly vulnerable offenders and services for women and young offenders. We also need an increased awareness of autism in prison. There is a high risk of suicide within that community, particularly if they are incarcerated.

In my experience, far too many of our veterans go into prison. We are failing them. Frankly, they have experienced conflict and high levels of trauma, so we
really need services and programmes that support them when they come back from active duty. We must prevent them from feeling they are no longer able to cope and committing offences.

Will the Minister also address the availability of programmes in prison for mental health coping skills, cognitive behaviour therapy and managing mental illness programmes? What progress has there been on that? Staff in secure hospitals who work with evidence-based programmes already have substantial experience and their expertise could be utilised in training.

In conclusion, I want to ask about co-ordination of response. In working in this area, I find that access to psychiatry is likely to be access to a liaison psychiatrist who comes in and out of the prison and does not know the prisoners very well. To what extent can we address having full-time psychiatric staff in prisons who are able to assess people repeatedly, know their case history and can prevent people relapsing or pick up issues extremely early?

I want to reiterate the importance of family connections and ensure we build a system whereby we rehabilitate as well as punish people, because that is crucial to protection of the public and to reducing recidivism. Building family connections and giving people hope, aspirations, skills and education, and seeing them holistically as an individual will go some way towards helping their mental health. It is crucial that mental health services are available in prison and as a follow-up.

10.38 am

Imran Hussain (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I thank my hon. Friend the Member for St Helens South and Whiston (Ms Rimmer) for securing this important debate on behalf of my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman). I thank hon. Members from all parties for their informative and well-thought-out contributions.

My hon. Friend the Member for St Helens South and Whiston articulated the real crisis of mental health in our prisons. Other hon. Members also made some very important points about assessment and recording issues, information-sharing issues, pressures on prison officers, isolation and overcrowding issues, and individual tragic cases that perhaps could have been prevented had the system worked better. Government Members also spoke about some of the much-needed recreational activities that are very important to wellbeing, including cooking and gardening, although they will agree with me that some of the underlying and more pressing issues have to be addressed before we move on to those areas.

Dr Drew: One of the most stressful and important issues regarding mental health is women who give birth in prison or have young children. I found, to my shock, that Eastwood Park prison, which has a mother and baby unit, was shut for over a year because of an argument about a flood and who was going to pay for the damage. That meant that all women in the whole of the south west and south Wales had nowhere to go to in the vicinity. That is not acceptable, is it?

Imran Hussain: That is a shocking account. Again, that highlights some of the underlying issues in our prison services that could perhaps be dealt with a lot better.

Hon. Members will forgive me if I am unable to cover all the contributions that have been made today, but I know that the Minister, to be fair to him, does listen and will respond. My hon. Friend the Member for Islwyn (Chris Evans) rightly pointed out that the Minister is the last man standing, and perhaps the oldest hand now in the Ministry of Justice. I am sure that he will use his skills to persuade the new Secretary of State that we do have a crisis in our prison service, but I will leave that to him.

Dan Carden (Liverpool, Walton) (Lab): I will be quick. Liverpool prison is perhaps in some of the most dire straits of all prisons in this country, as has been mentioned by my colleagues. The Secretary of State for Justice said on 18 December that an action plan would be forthcoming in January. Can I plead with the Minister that that is not forgotten in the midst of the reshuffle, and ask him perhaps to write to me or let me know in today’s debate when that action plan will be forthcoming?

Imran Hussain: My hon. Friend makes a very important point. Obviously, it is an issue that is very close to him, as it relates to his constituency, but it is also of concern to us all, and I hope that the Minister will listen and respond.

As recognition of mental illness in society increases, with a greater understanding of just how damaging it can be, so it does in prison. However, prisoners have a much greater likelihood of suffering from mental illness than the general populace, with one in three prisoners estimated to be suffering from mental illness.

Afzal Khan (Manchester, Gorton) (Lab): I will also be very brief. One of the causes of concern is the impact on black and Muslim prisoners. Reports from Her Majesty’s Inspectorate of Prisons and from Dame Anne Owers say that negative outcomes, stereotyping and discriminatory treatment are consistently experienced by Muslim and black prisoners. Does my hon. Friend agree that the Minister could take a number of steps to help address that? First, religion and ethnicity should be recorded on all clinical records. Secondly, the uptake and outcomes of mental health services in prison should be examined by religion and ethnicity. Thirdly, mental health literacy and religious literacy training should be provided to all prison officers.

Imran Hussain: My hon. Friend is right to point out some of the particular issues regarding black, minority ethnic and Muslim prisoners. I will come on to the broader recording issues, but he makes some very important and sensible suggestions.

Unfortunately, most evidence suggests that the estimate that one in three prisoners suffers from mental illness is wildly conservative, demonstrating that it is a real problem, which manifests itself in the self-harm that has risen dramatically in recent years. Many of those self-harming and tainting their own life are suffering from a mental illness, representing yet another crisis in our prison system that is spiralling out of control. The Government cannot get to grips with the crisis and are not doing
from a qualified mental health professional, most prisoners suffering from mental illness is just an estimate. There is no accurate record, clear marker, or identifiable way to determine who is suffering from a mental illness in prison; there is just an estimation of the scale of the problem—close to sheer guesswork on the part of the MOJ.

Even when prisoners are screened for mental illness, it is done poorly. Rather than a thorough assessment from a qualified mental health professional, most prisoners are briefly assessed, and given 120 questions to complete in often as little as 10 to 20 minutes. When thrown in with the increasingly toxic nature of prisons, the answers that come back are less than truthful. When the MOJ does not even centrally collect the basic number of prisoners in the prison estate who are suffering from mental illness, and when prisoners are not properly assessed, prisons simply do not know who is vulnerable and who is not, so how can they possibly be expected to provide care for them? The MOJ is failing at the first hurdle—being able to treat mental illness—even before we get on to the treatment itself. That is simply not good enough.

Unfortunately, the conditions after a prisoner has entered are little better, which means that even if they are identified as having a mental illness, they are not always properly treated. The commissioning of healthcare means that mental health provision is disjointed and varied across prison estates, with HM Inspectorate of Prisons finding gaps in primary care, professional counselling and therapies across estates, as well as failings in access to services, gaps in those services, and a failure to follow up on mental health concerns. That is bad, and is certainly not improved by the fact that the partnership agreement between the Prison Service and NHS England, setting out the objectives in providing healthcare to prisoners actually expired in April. There has been a transfer of responsibilities from the National Offender Management Service to the new Prison Service during that time, but I do not buy that as an excuse.

Prisoners with serious mental illnesses are treated even worse as they face extended waits for transfer to secure hospitals. NHS England set a target of 14 days from identification to transfer, but the reality is that prisoners awaiting transfer were reviewed in October 2016, with findings showing that prisoners waited an average of 47 days for their first assessment, a further 36 days for their second assessment, and a further 13 days for the Secretary of State to sign a warrant. That is clearly unacceptable.

All of that demonstrates that the Government are just not getting to grips with the crisis and are not moving to address it. To add to that, Government policy is making it worse. Substantial budget cuts to the Ministry of Justice have been passed on to the Prison Service, with the funding that NOMS received significantly falling. That translates to a reduction of around 30% in operational staff, meaning fewer staff on the wings and on the balconies, and crucially fewer staff who are able to understand individual prisoners and recognise when they are vulnerable. Furthermore, staff shortages and safety concerns have resulted in prisoners being forced to spend longer periods of time locked up in cells. Isolation and confinement are bad enough for those without mental health issues, but they can be devastating for those with mental health issues.

Fewer staff also leads to a rise in the number of drugs getting into prisons, as fewer prison officers results in fewer searches and reduced intelligence gathering and awareness. Drugs, both those of which we have an understanding, such as cannabis and cocaine, and those classed as new psychoactive substances, such as spice, are having a major impact on our prison estates and on the mental health of prisoners. Although the Government are introducing powers to stop the use of mobile phones and are training more dogs to combat smuggling, that is simply not enough without more prison officers.

I will conclude there, as I know the Minister has a number of points to come back on. In summing up, I would say that we have seen mental health care in prisons degrade on the Government’s watch. They must prove that they are serious about addressing it, because right now we see no such evidence. They need to record just how big a problem mental health in prisons is, screen prisoners properly and conduct an immediate review, for without that knowledge, they cannot begin to get to grips with the issue. They need to properly invest in getting prison officers back on the wings and the balconies—but not at the expense of support staff.

10.50 am

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): It is a pleasure to serve under your chairmanship, Mr Howarth. Although I am the most experienced Justice Minister standing, it is going to be a bit of a challenge for me to answer all the questions in nine minutes, but I will do my very best.

I congratulate the hon. Member for St Helens South and Whiston (Ms Rimmer) on securing this debate on such an important issue. I also thank right hon. and hon. Members for their passionate and knowledgeable contributions to the debate. As well as the hon. Member for St Helens South and Whiston, we heard from my hon. Friend the Member for Taunton Deane (Rebecca Pow). I recognise the value of gardening—in all the prison visits I have made, the pride taken in the prison gardens and the therapeutic benefits garnered as a result are striking.

I will of course meet the right hon. Member for North Norfolk (Norman Lamb) to discuss the distressing case he mentioned. The hon. Member for Bridgend (Mrs Moon) mentioned Parc. I recently visited the young offenders institution at Parc and was impressed with the environment for young people. The hon. Member for Islwyn (Chris Evans) was very generous in his comments, as ever. I thank him. Yes, I am the continuity man—I am on my third Secretary of State. I also thank the shadow Front-Bench spokespeople for their contributions—the hon. Members for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) and for Bradford East (Imran Hussain).

The Government committed to reforming our prisons and prison culture in the “Prison Safety and Reform” White Paper of November 2016. Since then, we have delivered changes that will help prisoners to receive the mental health support they need to engage positively with society, but I am clear that more can be done to improve access to services and support for prisoners, who are some of the most vulnerable people in our society.
First, I am clear that appropriate interventions and treatments at the right time and in the right place are vital to improving outcomes for those with mental health issues and other vulnerabilities. We are working across Government to help people access the services they need from their first contact with the criminal justice system. In England, liaison and diversion services have been rolled out in police stations and courts, covering more than 70% of the country. Those services, commissioned by NHS England, will be rolled out to cover 90% of England by the end of April 2019 and will be nationwide by April 2021. In Wales, where health is devolved, there is a separate but similar criminal justice liaison service.

We are building on services that divert those with mental health problems away from custody by increasing access to treatment for offenders in the community. Courts are already able to include mental health and substance misuse treatment as part of a community sentence, but often do not do so because of the barriers that offenders can face in getting the help that they need.

In 2016, only 669 mental health treatment requirements were given, which is approximately 0.3% of all community sentences. To tackle that, along with the Department of Health and Social Care, NHS England and Public Health England, we have been working to develop a protocol for community sentence treatment requirements. It will set out what action is required by health and justice staff to ensure that pathways into timely and appropriate treatment are in place, and that greater use is made of mental health and substance misuse treatment requirements as part of community sentences. The protocol, which includes a new maximum waiting time from date of sentence, will provide quicker access to mental health treatment, giving offenders the right support to keep them out of prison where appropriate, and breaking the cycle of reoffending.

In Wales, a project team is working on mental health treatment requirements, and the goal to improve MHTR is captured in the Welsh Government’s “Together for Mental Health” delivery plan. A similar protocol is being considered to cover devolved health services in Wales.

We have made good progress in diverting those with mental health needs away from prison, but many offenders with poor mental health are still being placed in a custodial setting, which brings me to my second point: we need to do more to make sure that these men and women receive the help they need. We know that we need the right staffing levels to provide a safe and secure regime that engages with prisoners with poor mental health in a supportive and rehabilitative way. That is why we committed to an increase of 2,500 prison officers by the end of 2018. Since we published the White Paper, we have recruited a net extra 1,255 prison officers over the last year, which puts us on track to meet the target, and means that officer numbers are now at their highest since August 2013.

We also know that the relationship between staff and prisoners is fundamental in supporting their wellbeing and reducing their risk of self-harm. Our offender management in custody model will see every person in closed conditions being assigned a key worker to motivate support and signpost them to the most appropriate services to help them to reform. Prisoners will be supported to attend scheduled health and mental health appointments. Their dedicated officer will be in a better position to respond to changes in their behaviour or mental wellbeing. The offender management in custody model has been rolled out in eight pathfinder prisons, and our aim is to introduce it into all other establishments by March 2019.

Last but not least, we need to ensure that our staff have the right skills to identify prisoners’ needs and risks, and provide them with the appropriate support. All staff in prisons, whether they are prison officers or staff in any other organisation working in a prison, receive mental health awareness training as part of the introduction to suicide and self-harm prevention course. It is also included in entry-level training for our new prison officers. Since April, 11,000 members of staff have started that training. The mental health awareness module informs staff of the most prevalent mental health issues in prison, including how poor mental health might affect behaviour and how officers can interact positively with prisoners presenting with mental health needs.

I acknowledge the concerns raised about how the age and condition of some parts of the estate might impact on the mental health and wellbeing of prisoners. I assure hon. Members that the Government are committed to transforming the prison estate in England and Wales and will be investing in the estate to deliver up to 10,000 new places. That includes pushing ahead with plans to close older prisons and open new accommodation during this Parliament.

I am aware of concerns about the amount of time that prisoners spend in cell rather than in activities that would support their mental health and reduce reoffending. We are committed to providing a supportive and rehabilitative regime with which prisoners can engage positively. In 2016-17, offenders completed 16 million hours of work and there were on average 11,200 offenders working in prison workshops.

For those prisoners who are seriously ill and require transfer to secure hospital to meet their care needs, we are considering ways in which we can best support them while they are awaiting transfer—we are working closely with NHS colleagues on how we can improve the transfer process. Her Majesty’s Prison and Probation Service has issued a learning bulletin aimed at senior management staff that provides guidance on the transfer process, managing risk and supporting individuals prior to and following transfer.

To support those in crisis we have worked with the Samaritans to produce a new digital suicide prevention learning tool, which is designed to give staff more confidence to engage with prisoners who may be at risk of suicide. We continue to support the Samaritans’ Listener scheme and are funding a new initiative designed to build emotional resilience in prisoners in their early days in custody.

We are exploring with probation colleagues how to ensure better continuity of the work being done to improve mental health in prisons through to the community to provide ongoing support and help reduce reoffending on release. Since 1 July 2017, prisoners can now register with a GP prior to their release. That will facilitate a
quicker transfer of patient and treatment information from prison to GP, supporting prisoners to access community healthcare services on release.

Hon. Members raised a number of questions, including on the level of self-inflicted deaths. I am responsible for women’s prisons. When I took over in July 2016, I inherited a situation in which there was a suicide every month on the women’s estate. We have had only one suicide since January 2017. Every self-inflicted death is a tragedy and I want to be cautious in publicising those figures, but I am hoping that there is a trend in place and we are improving the situation in the women’s estate. There has also been a similar decline in the number of self-inflicted deaths in male prisons, although there were still 77 up to September 2017, which is obviously too many.

Spice is a particular problem, and increasingly so in broader society. We have introduced dogs to detect spice coming into prisons. I am under no illusions about how difficult this is, nor about the challenges of spice and the impact it might have on people’s psychiatric health. This is a work in progress and it will remain challenging, but we are determined to do better.

We recognise the value of employment on release. I recall going to HMP Drake Hall, where I met a young lady who was working for Halfords and was already placed into the job on release. I want to see more of that.

Transfer times for secure hospital placement is a particular concern to me. I get regular updates and have done ever since I started in the post. We have made some progress but we need to make more.

The report for the Joint Committee is currently with the new Secretary of State. Once he has read it, signed off and gone through the process, it will be published as promised.

I apologise for not being able to answer all the other questions. Finally, I thank all colleagues. This is an important issue and we need to continue to work hard to make things better for prisoners.

10.59 am

Ms Rimmer: I thank all Members from right across the House and all parties, and the Minister for his obvious commitment and desire to do things. We wish him well and look forward to the vast improvements in our prisons and in safeguarding for our prisoners, and to the fruitful lives they live in society when they leave prison healthy.

Question put and agreed to.

Resolved,

That this House has considered mental health in prisons.

Warwick District Council: New Offices

11 am

Matt Western (Warwick and Leamington) (Lab): I beg to move,

That this House has considered new offices for Warwick District Council.

Thank you, Mr Howarth, for giving me the opportunity to debate this issue, which is of immediate concern to residents in Warwick district, which includes my constituency of Warwick and Leamington, part of the neighbouring constituency of Kenilworth and Southam and part of the Stratford constituency.

At first glance, this debate will seem parochial, but it has much wider implications for local authorities across the country. It is fundamentally about the use of public money, and how local authorities use planning legislation for their own ends—using public money to build, in this example, a new council office, at a time of austerity. There are huge pressures on local authorities to restructure, to consider merging and to close certain services. We have seen our children’s centres and women’s refuges close. My question therefore is: are these the right priorities?

The issue at hand is the proposal for Warwick District Council to relocate from its current site near the centre of Leamington town centre to another site it owns in the town centre. It is a joint planning application that includes the development of a site for housing, which will contain 214 new homes in total, and of offices at the Covent Garden site, which will incorporate a new multi-storey car park, replacing the existing car park that occupies that site.

At last night’s planning meeting, both applications were approved. I do not agree with those approvals, and nor do the public. Why is the council building a new office in the first place? That has to be the first question.

Robert Courts (Witney) (Con): Perhaps the council is seeking to move to offices that are smaller, cheaper and more efficient, which will enable it to provide the public services that the hon. Gentleman’s constituents and mine want.

Matt Western: The hon. Gentleman makes a fair point. At a time when local authorities are restructuring under the pressure of budgetary restraint, that could be an option, but there are other options, such as moving into vacant buildings that the authority owns. He is right to highlight that point, and I will come on to develop it.

How can a council that is likely to impose a 3% council tax increase in April, alongside other council tax increases that will mean a total rise of perhaps 7% to 8% for council tax payers, justify using scarce resources to build itself a shiny new office? Its sister county council has the necessary vacant space and is closing much-valued children’s centres, claiming that that is not what councils should be doing and that they should simply contract out delivery services. The council’s justifications include the fact that the offices are just 500 metres closer to the town centre and that they might be more economical to run. It claims that the move will be cost-neutral and
could save £300,000 a year, but given my recent experience of its projects, including leisure centres, that will be wide of the mark.

There are three main issues: the development lacks provision for affordable housing, which is so desperately needed in the area; it is the wrong priority at a time of austerity; and it will disrupt car parking in Leamington town centre, and ultimately the viability of town centre businesses. In essence, it is the wrong development at the wrong time in the wrong place.

I want to touch on the issue of affordable homes. Some people may believe that the new office is critical at a time of economic austerity, and that the arguments of better heating and efficiency justify the £10 million spent, but then we discover that the council office project is being funded by the disposal of its current site for the exclusive development of private housing. In fact, the planning applications for the Riverside House and Covent Garden sites total more than 200 dwellings, but none of them will be council, social or affordable—zero council, zero social and zero affordable housing.

Remember that the two applications were made by the council for the council. What about the council’s own policy—the policy it wrote itself and specified in its own local plan—that 40% of properties on large new housing developments should be affordable housing? To be clear, large is anything greater than 10, so given that there will be 170 and 44 on the two sites, they comfortably qualify. It is clear that with these applications—approval has been outlined—the council is failing to meet its own standards for affordable housing, which it seeks to place on other developers. What sort of precedent is that setting?

Tony Lloyd (Rochdale) (Lab): My hon. Friend is making an excellent speech. The offices are a local issue, but the use of land for housing is a national issue—the use of land at premium prices that prevents the development of affordable housing should be affordable housing? To be clear, large is anything greater than 10, so given that there will be 170 and 44 on the two sites, they comfortably qualify. It is clear that with these applications—approval has been outlined—the council is failing to meet its own standards for affordable housing, which it seeks to place on other developers. What sort of precedent is that setting?

Matt Western: I thank my hon. Friend, who makes the point so well, as ever. Currently, in Warwick district—I am sure there are other examples around the country—only 27% of housing plans that have been approved are for affordable housing. The council itself is approving 0% affordable housing, so there is a much wider implication for the principle and for necessary housing, as he said.

If the council applied its own policy to those developments, Leamington would gain 86 affordable homes, which would make a huge difference to families in dire need of homes below market prices. Those who heard my maiden speech will be aware that there are about 2,400 people on the housing waiting list in Warwick district, that there are 700 statutory homeless people, and that there has been a 50% increase in rough sleeping in recent years. For young people, the situation is particularly dire. In 2015, Shelter found that 31% of working young adults in the area live with their parents, compared with a 25% average in England.

Some might simply excuse the council for ignoring social and affordable housing and accept the argument that it is not viable to include them, but that is missing the point. The new office development is not necessary, and it is only that that is disguising the council’s claim about why it is not building the much-needed affordable housing on the two sites. In its outline planning application, the council managed to wriggle out of the 40% requirement for affordable housing by securing viability—that great “v” word—appraisals that say that the developments would not be viable if they provided any affordable housing. Furthermore, the council is refusing to release the details of those viability assessments on the grounds that they contain commercially sensitive information, partly because the developments are a joint venture with a private company, which ignores the public interest in the investment in new buildings.

The council claims in the viability assessments that the capital receipts gained from the housing developments are required to fund the building of the new offices, but if it did not have the capacity to provide any affordable housing, it should never have proposed its new office plan in the first place. There is also the broader issue that the viability assessments allow developers to avoid requirements for affordable housing across the board. That policy was introduced in 2012 as part of the national planning policy framework, which has been disastrous for the supply of affordable housing, contributing to the housing crisis, and which should be dropped. When housebuilders such as Persimmon claim that developments are not viable, but the chief executive is pocketing a £130 million bonus, something is not right.

There is clearly a fundamental issue with a local authority being both applicant and jury. The planning committee is supposed to be quasi-judicial, but it is evident, as in this case, that planning officers lean on it to ensure that an application gets passed. How can the planning department “recommend approval” to its own committee on its own project? Let us be honest: that is not quasi-judicial.

The third report of the Nolan Committee on Standards in Public Life—the committee advises the Prime Minister on the standards to be expected of those in public office—stated:

“We have particular concerns about...local authorities granting themselves planning permission...and we believe that there should be greater openness in the planning process.”

Warwick District Council has done exactly what the Nolan committee advised that local authorities should not do. In a case of commercial confidentiality, the failure to deliver affordable housing should preclude such exemption from public scrutiny. The council’s proposals, which fail residents in the area who are in desperate need of more affordable housing, should be dropped.

The people of Warwick district, in common with all communities, have been battered by a programme of Government austerity these past seven years, and local services are being cut. Communities are losing children’s centres, social care is at a crisis point and all services are suffering from the cuts. It is no wonder that, in such a challenging environment, many people tell me how surprised they are that the district council is proposing to build a new office.
Robert Courts: The hon. Gentleman spoke about a challenging fiscal environment. The proposal, to which he has referred to fairly, is intended to save £300,000 per year, but surely that is precisely why it should be pursued—it will enable more money to be spent on the services that people want.

Matt Western: The hon. Gentleman makes a fair point but his conclusion is wrong. There is a huge opportunity for all local authorities. His Government previously proposed One Public Estate, which was a genuine and sincere ambition to get authorities around the table to review all public assets and decide how they can best be used for the future delivery of services. The Warwick proposal is an example of where that has not happened. I proposed a “one Warwickshire estate” a couple of years ago. Had it happened, the district council could have been using its existing assets or those of its sister councils such as the county council.

The council should be using any capital budgets to build much-needed council housing to address the 2,400-long housing waiting list. Moving the council headquarters is not a priority for the people in my constituency or in Kenilworth, and it should not be a priority for the council at this time.

The effect of the development on the Covent Garden car park will also have an impact on our community. It will lead to the closure of a much-needed car park, one of the four main ones in our town centre. The closure for redevelopment will result in a lack of car parking space in our town centre and therefore a huge amount of pressure on the economic viability of the town centre and the businesses therein. In any event, while building a car park, there should be some sort of workable displacement plan for parking during the construction period, but none has been put forward.

Indeed, no other options have been put forward to the public, but they should be explored. The council should consider the use of existing space in the public asset register that I mentioned a moment ago, such as empty and underutilised office space owned by the county council, or even Leamington town hall, which is owned by Warwick District Council. That would reduce the cost and allow for the development of affordable housing on the Riverside House site, as well as avoiding the demolition of one of our main car parks in Leamington.

If the council must push ahead with the plans, it should at least find some way of meeting its own affordable housing policy for both developments and on those two sites.

Fiona Onasanya (Peterborough) (Lab): From what my hon. Friend is saying, it springs to my mind that the council knows the price of everything and the value of nothing. Councils are not meeting the affordable housing targets they set for themselves. In my constituency, for the past two years Peterborough City Council has approved proposals that have not met its 30% social and affordable housing target. Its council has not met its 40% target but is still ploughing ahead with proposals to build and develop, showing it knows the price of everything and the value of nothing. Does he agree?

Matt Western: I thank my hon. Friend for a valuable intervention. She is so right. The precedent is dangerous not only for Warwick district but across the country. It could almost become case law, in that people will cite examples from elsewhere and use them for their own ends. That is one of the fundamental flaws in the existing policy. Furthermore, there are question marks over the transparency of the planning process as it stands, and my example demonstrates clearly how the viability assessment can be withheld on grounds of commercial sensitivity, despite the clear and obvious public interest involved.

This is the wrong development at the wrong time in the wrong place, as I have said. The lack of provision for affordable housing shows appalling double standards. The council is pushing ahead with a development that is not necessary at a time of austerity, and that is an insult to our residents. The demolition of the Covent Garden car park will bring chaos and uncertainty to our town centre, and lead to closures of retailers and businesses there during the two to three-year development phase. I therefore urge Warwick District Council to rethink, and I urge the Minister to ask it to do the same. I also ask the Minister to consider the broader issues raised by this case, which have significance throughout the country and will be replicated elsewhere. I am grateful for having the time to speak today.

11.16 am

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): It is a pleasure to serve under your chairmanship again, Mr Howarth. I congratulate the hon. Member for Warwick and Leamington (Matt Western) on securing an important debate not just for his constituents but for various areas of the country—Members from across the House have made contributions, so he is obviously raising issues from their constituencies that they want to discuss.

To focus on Warwick initially, Mr Howarth, you, like me, are a proud northerner. I am also Minister for the northern powerhouse and it is appropriate for me to respond to this debate given that Warwick Castle was founded in 1068 by William the Conqueror, who was dealing with a rebellious set of northerners. I think we are both rebellious northerners and so it is appropriate for us to discuss Warwick under your chairmanship.

We heard an intervention by the hon. Member for Rochdale (Tony Lloyd) and I would like to frame the debate in terms of what his local authority has achieved by active management of its estate. The council has been inventive about how it has used its civic buildings in the centre of Rochdale, which adjoins my constituency—I know it extremely well—and it took a decision to move out of its iconic grade I listed town hall, which is a fantastic building and is now used largely for civic and private events. That shows how with active planning good local authorities may move offices to the betterment of the people they represent.

The iconic Rochdale town hall was, unfortunately, one of Adolf Hitler’s favourite buildings, but he told the Luftwaffe not to bomb it during the second world war, because he wanted to take it down brick by brick and to move it to Germany. A better use of it at the moment would be to replace the chimes from the Elizabeth Tower, the bong of Big Ben in particular, which we are all missing after it came back into use for a time over Christmas and new year. I hope that, with me, the hon. Member for Rochdale will continue to press the BBC on an issue that is important to the north of England.
Tony Lloyd: I endorse strongly what the Minister is saying. Hearing the northern chimes of Rochdale town hall on the BBC would enlighten the world about the beauties of the north.

Jake Berry: We are as one on that—“bong” is all I can say.

We also heard from the hon. Member for Peterborough (Fiona Onasanya), who raised important issues in her constituency, and from my hon. Friend the Member for Witney (Robert Courts), who has great experience as a former deputy leader of West Oxfordshire District Council. In his time there he was always involved in saving the local authority money, not for the sake of it or from any ideologically driven point of view, but so that he and his colleagues in the local government family of West Oxfordshire could invest in public services and public service delivery.

Before I move on to the main part of my speech, I will take the opportunity, on behalf of all hon. Members present, the Ministry of Housing, Communities and Local Government in particular and me, to put on record our thanks to all councillors in our local government family who, regardless of political persuasion, work so hard to serve the communities that they represent.

I am sure that the hon. Member for Warwick and Leamington is aware that the Secretary of State has a quasi-judicial role in any planning applications in the United Kingdom. It would not be appropriate for me to comment on the merits of Warwick’s local plan or to discuss in detail the application that he mentioned specifically. Equally, it would not be appropriate for me to comment on what is essentially a local decision by Warwick council to relocate its offices. However, I am aware that that is part of a wider efficiency plan that includes a review of council assets. Local authorities are right to manage their own assets and expenditure responsibly in a democratically accountable way. Warwick District Council is a stable, well-managed, fiscally prudent, Conservative-controlled council that has achieved a surplus on its general fund revenue budget in each of the past six years and is projected to do so again in this financial year, which shows that it has a history of taking difficult decisions to better serve the people in Warwick, as a prudent local authority.

The hon. Gentleman raised concerns about affordable housing provision. I will set out our national policy on this issue and what our national planning policy framework does to encourage the delivery of affordable housing. I will touch on parking facilities and how the framework promotes sustainable transport solutions. I will also say a bit about how we require local authorities to make sure that the money they expend is spent well and that they take prudent investment decisions.

The Government’s priority is to boost housing supply and to build more affordable homes, supporting the different needs of a wide range of people. That is why the Prime Minister recently announced an additional £2 billion of funding for affordable housing, increasing the affordable homes programme in the 2016 to 2021 budget to more than £9 billion, to deliver a wide range of affordable housing, including social rent homes, by March 2021. The new funding will support councils and housing associations to build more genuinely affordable homes in areas of acute affordability pressure, where families are struggling with the cost of rent and some families may be at risk of homelessness.

The hon. Gentleman raised the issue of homelessness and families waiting on the list during his maiden speech; it is absolutely right and appropriate that in this House we focus on what is a hugely important issue for us all as constituency MPs and for the Government. Our expanding programme will provide a wide range of homes to meet the housing needs of a range of people in different circumstances and different housing markets. Further details on how social rent will be prioritised in the areas of greatest need will be published shortly. The Government have also confirmed plans to create a stable environment by setting long-term rent deals for councils and housing associations in England from 2020. Increases will be limited to the consumer prices index plus 1% for the next five years until 2020.

On our national planning policy, our housing White Paper shows that the Government are strongly committed to a plan-led system, where new homes are provided through up-to-date local plans prepared in consultation with local people. The giveaway about local plans is in their title: they should be local, widely consulted on and driven by local authorities, not by Government. The White Paper also includes proposals for local authorities to have clear policies for addressing the housing needs of particular groups. As part of that, we expect local authorities to identify their affordable housing need. As always, we expect them to make a planning judgment—as they do now—to understand how many affordable homes should be built in their local planning area.

As I started out by saying, it is up to local authorities to determine how their own affordable housing policy is applied, and to determine their own planning applications in line with their own view. Planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. Viability is a material consideration. Different sites have different costs, and it might be appropriate for local authorities to seek different levels of local planning applications, including affordable housing, in certain circumstances.

Matt Western: I am interested to hear the Minister’s specific comments on One Public Estate and the fact that this authority has chosen to ignore the possibilities offered by the Government’s own policy on that. Also, will he concentrate on the 40% figure, where the authority is failing against it at a 0% level?

Jake Berry: The hon. Gentleman tempts me down a path. I am tempted, but I will not venture down it, because, as I am sure he is aware as a county councillor and as a Member of this House, the Secretary of State in my Department has a judicial role in local plans, local planning policy, and all planning applications in England. Therefore, it would be inappropriate for me to comment in the way that he has asked.

Viability assessments play an important role in making sure that both plans and individual proposals are deliverable. However, we recognise that viability assessments can add complexity and uncertainty to the planning process, which have led to delays and diminished contributions towards infrastructure and affordable housing. That is why in our recent planning consultation we included...
proposals that seek to simplify the process, creating more certainty about the contributions that developers are expected to make. That will also increase transparency—I think that the hon. Gentleman will like that—so that local people can better understand what contributions may be expected to be secured from developers. Of course, that will not be the whole solution, and we will continue to consider further reform of developer contributions.

I note that the hon. Gentleman has concerns about parking provision in his local area. Planning policy on transport provision set out in our national planning policy framework promotes sustainable solutions to give people a real choice about how they travel. The framework expects councils to support developments that facilitate the use of public transport, walking and cycling where it is reasonable for them to do so, and to focus significant developments in locations that can be made sustainable in terms of transport. Local authorities are expected to improve the quality of parking in town centres so that it is convenient, safe and secure.

All local authorities have a duty to deliver the best value for the people they represent. I hope that Warwick District Council and all local authorities will have in their mind when they look at plans anywhere in the country how they can save money for the council tax payer and refocus that on the priorities that we have discussed, such as affordable housing, which, as we all know, is hugely important. Our Prime Minister has been absolutely clear that tackling the housing crisis is the top priority for her Government and I am absolutely proud to play my part in the Ministry of Housing, Communities and Local Government in ensuring that we deliver on that promise.

Question put and agreed to.

11.28 am
Sitting suspended.

Disability Confident Scheme

[ANDREW ROSINDELL in the Chair]

2.30 pm

Luke Graham (Ochil and South Perthshire) (Con): I beg to move,
That this House has considered the Disability Confident scheme.

It is a pleasure to serve under your chairmanship, Mr Rosindell. I thank the Members who have made the effort to attend the debate, which I secured because I am a passionate believer in the ideals represented by the Disability Confident scheme, the support it offers and the progress it has made.

As recently as the 20th century, disability often prevented individuals from contributing to their communities and to society as a whole. At the turn of the 20th century, “defective” individuals were identified and separated from their communities through legislation such as the Mental Deficiency Act 1913. Meanwhile, adults who suffered an injury that caused a disability were often forced out of work and left reliant on rudimentary health and benefit schemes. Fortunately, in recent decades, Britain has made significant progress in guaranteeing rights and opportunities for disabled people. From the appointment of Britain’s first Minister for disabled people in 1972, to the discrimination and equality legislation of the 1990s and the early 21st century, our country has begun to catch up with the contribution, intellect and determination of so many disabled people across the United Kingdom.

I wish to cover three key components of the scheme in depth: the intent to provide equal opportunities for disabled people to be active participants in society; how the scheme contributes to reducing the disability employment gap; and how to encourage and engage employers to become more confident in employing and retaining disabled people.

First, let me expand on what I mean by intent. The Government should work to ensure that disabled people are not underrepresented in the workplace. Over the past seven years, it has been a common refrain of the Government not only that work should pay but that it is the most effective way of contributing to society. The logic of that belief is sound and has led to the Government overseeing the lowest unemployment in 43 years and, since 2010, the fastest rate of job creation. More than 600,000 more disabled people are in work now than were seven years ago. The employment rate among people with disabilities was 1.3 percentage points higher between April and June 2017 than in the same period in 2016, which means that the number of people with disabilities in employment rose by about 104,000.

Such opportunities help to provide work to formerly workless households and to provide disabled and non-disabled individuals with purpose, colleagues and community—factors that are widely recognised as helping to contribute to good physical and mental health. The Disability Confident scheme is consistent with that belief and complements other Government initiatives in work, welfare and health.

My second point is about the disability employment gap, which is defined as the difference between the employment rates among disabled and non-disabled
people. There are currently 3.4 million disabled people in employment, which is approximately 49% of all disabled people. On its own, that sounds reasonable, but 80% of non-disabled people are currently in employment. The overall unemployment rate is 9% among people with disabilities but only 3.8% among people without disabilities. We should be determined to close that gap.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I congratulate my hon. Friend on securing the debate. Does he agree that we should aggressively pursue the UK Government’s target to halve the employment gap between disabled and non-disabled people, and that Disability Confident will help to reduce that gap?

Luke Graham: I could not agree more. That is a laudable target, but we should always try to go a little further. In my view, the target is there to be exceeded, and I am sure that the Minister will do everything she can to achieve that.

Let me dig a bit deeper and draw some gender and regional comparisons. Between April and June 2017, about 2 million women and 1.5 million men with disabilities were in work. That means that the employment rate among people with disabilities is about 50% for men and 48.6% for women. It is worth noting that more working-age women than working-age men have disabilities, which explains the discrepancy between the totals and the percentages of men and women with disabilities who are in work. However, the gap between the employment rates among women with and without disabilities is smaller than the equivalent gap for men. Although there is some reasonable news, it is tempered by the fact that the disability employment gap is still 27 percentage points for women and 35 percentage points for men.

It is also worth looking at the regional breakdown across the UK. Annual population survey data show that between July 2016 and June 2017 employment among disabled people was highest in the south-west of England, at 58.5%, and lowest in Northern Ireland, at just 36.7%. Scotland ranks third lowest in the UK, ahead of only Northern Ireland and the north-east, with a rate of 43.4% compared with the UK average of 49.7%. It is worth noting that those regional discrepancies by and large reflect the overall employment rates of the nations and regions of the United Kingdom.

The data highlight the issue at hand. I secured the debate so that we could continue to raise awareness in the Government and in the public and private sectors of the contributions and under-appreciated talent of disabled people in the UK and, in so doing, help to bridge the disability employment gap.

Douglas Ross (Moray) (Con): I congratulate my hon. Friend on securing this important debate. Does he agree that the fact that Disability Confident is a UK-wide scheme is excellent because it allows companies across our country to take part! Small companies such as Jaycees, a computer shop in Forres just two doors down from my constituency office, groups such as ENABLE Elgin, which does great work across Moray, and even globally renowned firms such as Maclean’s Highland Bakery, Walkers Shortbread and Baxters Food Group are all signed up to the scheme.

Luke Graham: I thank my hon. Friend for that intervention. The scheme is commendable, and being UK-wide allows it to provide consistency and a standard for employers, both large and small, across the United Kingdom.

My third point is about employer engagement and retention. The Disability Confident campaign was set up by the Government in July 2013 and aims to help employers improve how they attract, recruit and retain disabled workers. The scheme also aims to educate employers about the benefits of employing disabled people. Some 5,000 employers have signed up to the scheme since 2016, including my own parliamentary offices, Clackmannanshire Council and Perth and Kinross Council, which both cross through my constituency, and several other businesses in my constituency. I encourage everyone in this place to sign their offices up for it. It is quick and easy—it takes only a few minutes. If hon. Members need any help, they should pop by my office. I am also pleased to say that the main Departments have achieved Disability Confident leader status, a standard to which many organisations should aspire.

In researching for this debate, I came across a number of exciting case studies, including a company in my constituency that has signed up for the Disability Confident scheme. The Glenalmond Timber Company in Methven has been signed up for two years and has taken on a number of employees through the scheme. Most recently, it hired Colin, who is deaf. Colin started only a few weeks ago, but in that time he has been made to feel part of the team. Jed, his team manager, helped him to settle in by learning sign language. Jed commented that he “saw the man, not the disability”. In return for that commitment, the company gets an enthusiastic, hard-working and happy employee. Indeed, Colin’s wife commented that she had never seen her husband so happy.

Glenalmond Timber Company has also worked closely with the local jobcentre and disability centre to maximise the benefits of the Disability Confident scheme and what the company can offer through it. Staff have nothing but positive comments, and Jed has been invited to speak to students in local schools about his experience and about how they can be involved in skills development schemes and apprenticeships to ensure that their talent is not wasted.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for securing the debate. Although I very much support the scheme—that is why we are all here—many small and medium-sized business in Northern Ireland do not have the resources to participate in it. Companies that want to be part of the scheme but have upstairs offices or would have to widen doorways for people who use wheelchairs or take measures to allow visually disabled people to fully participate cannot take part because of the cost of renovating their buildings. Does he agree that that is a shortfall of the scheme? Perhaps the Minister will address that in her response.

Luke Graham: I realise that the scheme is a start, and later in my speech I will come to a number of areas that I hope the Minister and the Government will seek to develop further.

I was talking about the Glenalmond Timber Company. For people who do not know, Methven is a village in my constituency—it is not a bustling metropolis. There is
not a huge amount of infrastructure, nor is there a particularly strong disability lobby that has worked hard on local or national Government. However, a company there is committed to seeing the person and not the disability, and it has reaped the positive results of that. I commend the Glenalmond Timber Company for the work it has done through Disability Confident. I hope the Minister will join me in visiting its site in the near future.

Of course, it is not just local businesses that are involved; national and international businesses have also signed up to the scheme. I thank Sainsbury’s, which has provided information on cases across the United Kingdom. It is a large corporation that has been highly involved in the Disability Confident campaign. One of its employees in the north of England experienced some mental health issues and has only just felt confident enough to talk about his condition at work. Although he requested to remain anonymous, he commented:

“There is still a stigma about mental health, so I was nervous about talking about it. But receiving a firm diagnosis recently made it easier for me to speak up. Everyone I’ve had contact with here has been really supportive and keen to help. I worked with my line manager and HR to come up with adjustments, which have made a massive difference. Flexible rotas, extra preparation time at the start of shifts and the addition of a click and collect shift to my working week have made things less stressful.

I’m now really enjoying my job. There’s great camaraderie and team spirit, and with regular reviews as we go along, there’s no reason I won’t be able to stay in the role long-term...I’d advise colleagues dealing with mental health conditions to take that first step and talk to their managers. Once you’ve said the words, it gets much easier.”

Those words are great to hear and show that the scheme is making a great start, but there is still a lot of work to do.

The 2017 Conservative manifesto committed, as my hon. friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont) mentioned, to getting 1 million more disabled people into employment in the next 10 years. The Government therefore released a White Paper entitled “Improving Lives: the future of work, health and disability” in November last year. The strategy is based partly on supporting disabled people to find work but also on providing investment to support them to stay in work, as mentioned by the hon. Member for Strangford (Jim Shannon). The White Paper states that the Government will “increase the reach and effectiveness of Disability Confident”, while the Disability Confident business group has been established to provide leadership, peer-to-peer support and the sharing of best practice. Furthermore, the White Paper included the following policies and proposals. First, the roll-out of the personal support package, which includes the recruitment of 200 community partners, 300 disability employment advisers and about 100 small employer advisers. It will also provide support for individuals to help find and keep a job. Secondly, the Government have committed—I am sure that the Minister will elaborate on this—to explore the best options to provide support to those with more complex needs, and those who are furthest from the labour market across the United Kingdom.

Richard Graham (Gloucester) (Con): My hon. Friend is being generous, and it is a huge pleasure to see another member of clan Graham representing Ochil and South Perthshire in the House. Does he agree that there may be a good case for the Government to consider doing what they did so successfully with apprenticeships: to provide small employers with an incentive to hire people with disabilities? If that were in the form of a national insurance break, that might be the catalyst that enables us to move at the pace we want in taking people with disabilities into employment.

Luke Graham: Indeed. I will come to that point towards the end of my speech.

The Government’s proposals are all laudable and aspirational, and I am sure they will receive cross-party support in their implementation. I also ask the Minister to ensure that any new provisions are UK-wide and not limited by devolution settlements anywhere in the United Kingdom.

Jim Shannon: The hon. Gentleman is most kind in giving way. The other reason I wanted to come to the debate and make a comment was that over the years I have heard from a number of civil servants employed by Government who have lost their jobs due to their ill health—irritable bowel syndrome is one such example. It is a colossal experience for the person concerned, but even though they were employed by Government, the Government paid those people off. This debate is an opportunity to raise awareness in all Government Departments to ensure that people are not penalised because of their ill health in jobs they wish to stay in.

Luke Graham: I could not agree more. I hope that, through further speeches, we will hear more case studies and examples to try to raise the profile of the issue further. I know that the debate will not be left in this Chamber but that it will be continued by Members across the House in their constituencies and hopefully in the main Chamber. As I said, I urge cross-party support, because everyone has a role to play in helping to achieve the Government’s commitments as well as getting behind some of the Government’s policies and practical applications to try to ensure we achieve the targets set.

The Disability Confident scheme is about creating a movement for change, getting employers to think differently about disability and to act to improve recruitment and retention of disabled workers. The scheme has three levels that have been designed to support employers on their Disability Confident journey. An employer will complete each level before moving on to the next.

At the start of an employer’s Disability Confident journey, it can sign up via gov.uk with its Disability Confident commitments and identify at least one thing it can do that will make a difference for disabled employees. The second step is to become a Disability Confident employer. Such an employer will need to undertake a self-assessment, testing its business against a set of statements grouped into two themes: getting the right people for the business; and keeping and developing those people. For both themes, the employer will need to agree to take all of the actions set out in the core actions list and at least one from the activity list to make good on its commitment.

The final level, achieved by some Government Departments, is level 3, a Disability Confident leader. For that, an employer needs to meet two additional
elements. First, it must challenge itself through self-assessment and open up to external challenge to ensure it really is pushing itself and delivering the best for its people. The second element is leadership within industry and among peers as well as with its own communities and supply chains.

By working through the scheme, employers also get access to a wide range of information, good practice and other resources, including links to Department for Work and Pensions programmes that can provide practical assistance. For example, Access to Work provision rose by 8% last year, and for some groups it rose at an even faster rate. For example, the number of deaf people who had support approved increased by 13%. There was also a significant increase in the number of people with provision approved who have mental health conditions, which was up 37%, and those with learning disabilities, which was up 25%. For young people aged 16 to 24, the increase was 26%.

Those metrics are all encouraging, and the scheme has the right intent and policies to progress. However, no scheme is perfect, as alluded to by other Members, so I ask the Minister and the Government team to look at continuously improving the scheme over the next few years and ensure that it is regularly reviewed so that we can check progress and see if anything can be done to provide UK employer incentives, especially for small and medium-sized enterprises, where cash is more constrained and it is more difficult to make the changes that would allow extra people to enter our workforce and increase our productivity.

John Lamont: I am grateful to my hon. Friend for taking a second intervention. He described well the different levels of the scheme and employers who have signed up. Is there also a need to ensure that employers who have signed up do not rest on their laurels on the first level but are encouraged to move on, develop the programme and progress through the levels of the scheme?

Luke Graham: Absolutely—my hon. Friend makes a valid point. Even at level one, employers are making a commitment to take action within the next 12 months, and the mechanism must be used to ensure that those commitments are followed through. Commitments are easy to make online, but there needs to be the follow-through to make a real difference.

Quite simply, we cannot afford to allow any of our citizens’ talents to go to waste. For our United Kingdom to reach its full potential, every one of its citizens must reach theirs. Harnessing the skills and talents of everyone is at the heart of a successful economic plan, but good employment delivers much more than just a strong economy. Having a good job is good for our health: it keeps people healthy, both mentally and physically. I want disabled people to have every opportunity to go as far as their talents will take them. That is the sort of aspirational country I want to see, and that is what this scheme is starting to deliver.

2.49 pm

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is an absolute pleasure to serve under your chairmanship, Mr Rosindell. I congratulate the hon. Member for Ochil and South Perthshire (Luke Graham) on, and thank him for, securing this extremely important debate. As chair of the all-party parliamentary group on disability, I am pleased that we are having this debate. I share the hon. Gentleman’s sentiment that we should be having these debates in the main Chamber as well. This week, I applied to the Backbench Business Committee for a debate on the potential that disabled people bring to our economy. We must harness their skills and potential, and I would hope that the hon. Gentleman and other hon. Members here today would support that application.

The Disability Confident scheme is extremely symbolic. I have held a Disability Confident event in my constituency and would advocate other hon. Members doing so. It was important because only when we go through the process of helping employers to look at the scheme and what it would mean can we understand the hurdles that they feel they face—we can see not only the positives, but some of the limitations within the scheme as it stands.

A number of employers came along to the event on the day. We had great support from the Department for Work and Pensions and from various other organisations, and it was a successful event. I was pleased to publicise it and to tell people, “This is a really positive scheme and a positive event.” However, I would say that, in the follow-up, almost a year later, I re-contacted many of the employers who came to the day. They said, “Yes, it’s a good scheme, and we feel a bit more confident,” but confidence in itself does not always lead on to employment. While it is a good scheme, there is much more we can do.

Carol Monaghan (Glasgow North West) (SNP): I congratulate the hon. Member for Ochil and South Perthshire (Luke Graham) on bringing forward this important subject. My constituent, Atif Aslam, is a maths graduate but suffers from multiple sclerosis. Although he can access interviews, often employers do not put in place what he needs. For example, he needs a scribe in an interview if he is to fill in particular applications. He has been to interviews where he has told them in advance that the employer has not provided it. I hope that the hon. Gentleman agree with me that it is one thing for employers to say that they will sign up to this, but another thing for them to act on it?

Dr Cameron: My hon. Friend makes an excellent point. Providing adaptations is one of the challenges that employers, particularly small businesses, have come to me about following the event. They have said that they need further support from the Government. As a psychologist, I know that feeling confident is great. I feel confident that I will probably do lots of exercise this year, but whether that turns into my doing exercise might be a different story, particularly when it comes to February or March, rather than January when I am full of inspiration. We are starting off with a good scheme, but we need to build on it and my hon. Friend’s point is extremely important.

Small businesses find dealing with legislative requirements a challenge and a concern. They need help to navigate them, and support in overcoming what are mainly perceived barriers—perceived barriers can still mean businesses taking a step back from giving employment opportunities to people who have disabilities. I understand
from disability organisations that the scheme itself has received mixed reviews—I am referring to Disability Rights UK research. I believe it is possible to get to level 3 of the scheme without actually employing anyone who has a disability. We want to see much more of the additional practical support that employers need.

The disability employment gap has remained pretty static at 32 percentage points for many years, which shows that we are making some progress, but certainly not the progress we need to make. That reinforces the point that we need to do much more. The APPG, which hon. Members are welcome to join, recently compiled an inquiry report looking at the disability employment gap. The report estimated that, with the current policies, as of 2016-17, it would take 50 years to meet the Government’s pledge to halve the disability employment gap. That is not where we want to be and is further evidence that much more needs to be done.

Neil Gray (Airdrie and Shotts) (SNP): Does my hon. Friend share my concern that the Government no longer pledge to halve the disability employment gap? It has been slightly watered down from that previous commitment, which we would all have supported.

Dr Cameron: My hon. Friend has obviously read my speech. Yes, the manifesto pledge has changed. Given some of the responses from disability organisations, the Government were obviously struggling to halve the gap, which was their initial manifesto pledge, but we must harness the potential of people with disabilities for this economy. We cannot have a good economy while people are sidelined and not part of it. Across the United Kingdom, we must do all we can to rise to the challenge and ensure we get as many people with disabilities into employment as possible, recognise their skills and abilities, and give them opportunity, hope and support exactly where it is needed.

The APPG report, by Nick Bacon and Kim Hoque from the University of Warwick, made a number of important recommendations that I would like the Minister to consider in addition to the disability employment scheme. These are things that we believe would make a difference. It is important to look at apprenticeships, which have been mentioned. When people leave school, there is often nothing to go to. That is when people can start to feel hopeless and that they are not part of society. That can accumulate into not just disability, but mental health issues, depression and feeling very isolated. It is important to act at an early stage. Apprenticeships should be made available in realms of the economy where there is growth, such as science, technology, engineering and maths, and areas where there are employment gaps and we can harness people’s potential, where that is the role they want to fulfil.

Looking at support for disabled entrepreneurs, I often find that in these debates we automatically think of people with disabilities as employees. They should also be thought of as extremely skilled and as having the potential to run businesses and employ others. Overcoming some of the challenges that are currently in the way, such as discrimination in obtaining finance and capital to start businesses, which can be particularly difficult, would make a difference.

Research shows that peer-to-peer support for disabled entrepreneurship is helpful. It helps people to speak about what is working, what the challenges have been, how they have overcome those challenges and how to move forward, with support from someone who has been through the process, which is always good. Another recommendation was to look at leveraging public procurement, particularly for big contracts, and thinking about whether we could leverage some of those public sector contracts towards inclusive companies. It would make a fundamental, significant change to the numbers of people employed.

We in Parliament have to be role models. I am very pleased that the hon. Member for Ochil and South Perthshire has signed up to the scheme. In parliamentary work, other things are also happening that I think are very positive. I have taken up quite a bit of time, but before I finish I will briefly mention the Speaker’s internship scheme, which has now been widened. I am very pleased, because we put forward a proposal last year, before the snap election, to increase participation in the internship scheme, ring-fencing money for disabled interns. That will start in September. Parliament should be walking the walk as well as talking the talk, so that is a positive thing and I commend Mr Speaker for showing his support and taking it forward.

2.59 pm

Julia Lopez (Hornchurch and Upminster) (Con): I congratulate my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) on securing this very important debate.

This Government have a breath-taking record when it comes to getting people into employment—a record for which they get insufficient credit. It is easy to see joblessness simply as an economic challenge, but for the individual concerned, securing a job can have a major impact on their sense of self-worth and confidence, allowing them to lead a full, independent and rich life. I can only imagine the intense frustration many disabled people feel in knowing that they have ideas and energy to share in the workplace but facing practical barriers in securing work.

It is stating the obvious to suggest that people with disabilities have huge wells of talent to tap if we can collectively find a way of addressing some of those barriers. Other Members have referred to the disability employment gap, which has remained persistently high for decades. Were such a gap present in other parts of the working population, there would rightly be uproar. This problem is every bit as urgent as other workforce diversity challenges.

I commend the Government for the Disability Confident scheme, which marks an important step in helping to change perceptions among employers about taking someone on with a disability. I recently met representatives from Leonard Cheshire and learned about Change100, its graduate placement programme that secures talented disabled graduates paid placements at some of the UK’s best known companies. Leonard Cheshire highlighted to me some of the simple steps that help to build a disabled person’s confidence in making a job application, such as a prospective employer displaying Disability Confident accreditation, offering flexible hours and remote working and having an awareness of the Access to Work scheme, which can fund building adaptations and specialist equipment. Leonard Cheshire recommends that the Government endorse an independent evaluator...
to monitor the success of employers in recruiting and retaining disabled staff, beginning with Disability Confident employers. Results could then be published to see how employers compare and to encourage improvement, increasing the speed of change.

What I most want to raise is the needs of people who are unemployed and have less visible disabilities, whether mental or developmental. In the six months that I have been the MP for Hornchurch and Upminster, I have had two cases brought to my attention by the parents of young men with autism who have been desperate to secure long-term, meaningful work suited to their specific skills. Both gentlemen are very skilled and anxious not to spend the rest of their lives isolated at home.

The first, Richard, has Asperger’s and has engaged with the jobcentre but considers that disability advisers do not adequately understand and consider his employment needs. He has been seeking paid work since 2005, and the jobcentre has frequently encouraged and assisted him by facilitating work placements and courses, rewriting his CV to reflect that additional experience. However, much of that has just been box-ticking, without meaningfully improving his job prospects. Richard has still not secured any suitable long-term paid opportunities and has twice been referred to employment support services, which subsequently told him they would not be suitable for someone of his needs, which knocks his confidence again and makes it even harder for him to make the next approach in the workplace.

Those sentiments are shared by Drew, a politics graduate with autism who has struggled to find employment since 2004. Drew similarly laments the lack of personalised support in various Access to Work schemes for those with disabilities, noting that those on the autistic spectrum need not only a chance but an integrated way of ensuring that that chance pays off for them. In Drew’s case, an employment opportunity was found, but it soon became unsuitable due to difficulties in getting transport at the required shift times. When the opportunity collapsed, Drew had to reapply for unemployment benefits, forcing an individual with organisational difficulties to navigate a complex system and knocking his delicate confidence levels.

Drew’s parents recently came to my surgery and described how he gets very costly support that is not properly designed. That money would be much better spent if the jobcentre or his support workers had a focused approach at the beginning of the journey into work, helping him to establish relationships with his employer and in future with his colleagues, and helping him with his journey. If that support is focused right at the beginning, it might pay off with a much more viable job opportunity, rather than just putting a person on course after course, without any real structure to the process.

I would be grateful if the Minister could tell us whether she has looked at the specific skills that some people with autism have—for instance, IT and tech skills, which both Drew and Richard display—and whether any approaches have been made to bodies such as the National Cyber Security Centre or techUK, where those kinds of talents are really needed in the workplace but have not yet been found in sufficient numbers. I would also appreciate her thoughts on refocusing support away from courses and work placements and on to the initial stages of employment opportunities, as I have described.

Dr Cameron: The hon. Lady is making a very thorough speech. As chair of the all-party parliamentary group on disability, I have had a lot of positive feedback about the Access to Work programme. Does she agree that it is really important for that programme to be made more visible, so that there is greater awareness of it and the people who need it, just like the constituent she spoke of, are able to access it?

Julia Lopez: One of the important things about this debate is that we need to raise awareness across the board. MPs can help to do that by continuing to have debates, whether here or in the main Chamber—that is an important part of the process. A lot of employers simply do not know about these schemes and therefore do not have the confidence to access them.

3.5 pm

Justin Tomlinson (North Swindon) (Con): It is a pleasure to serve under your chairmanship, Mr Rosindell. I congratulate my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) on his fantastic speech. I have known him for many years, and I am not surprised that he has a full grasp, and a very proactive and constructive way, of promoting this very important issue. It is a pleasure to follow my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez), who clearly demonstrates a desire to push this.

There will be contributions from Members right across the House because we all recognise the importance of the subject, and we all have a commitment, whichever political party we represent, to see more people with disabilities having an opportunity to work. During my time as the Minister for Disabled People, that was always brought home. Whenever I went on visits, my favourite thing to say was, “If you were the Minister, what would you do?” There were some great ideas that I would happily take forward and some suggestions that we could not, but universally, people—and particularly young people—wanted the opportunity to work. That opportunity is often taken for granted, but for some, there are challenges that prevent them from enjoying it. For some, it will be full-time work. For others, it might just be an hour. I spoke to the parents of young adults whose desperate hope was that their children would get one hour a week, which would make all the difference to their quality of life. We are all determined to make a difference, and this cuts across political divides.

I saw many good examples and did lots of tours. Big employers were pretty good. GlaxoSmithKline, National Grid and Marks & Spencer had big HR teams that were skilled at ensuring there were ways of navigating the challenges that those employees might face. However, 45% of jobs are within small and medium-sized enterprises, which are not big enough to have HR departments. They would often shy away from employing someone with a disability and did not realise that there was a huge amount of talent out there.

I know that there is, because before I became an MP I ran my own business and employed people with disabilities. I did not do that because I was ticking a box or seeking a halo. I did it because it made good business sense.
We as businesses were competing for the very best people, and often by making very small changes we can tap some fantastic talent and benefit. Before I did my Disability Confident event, one of my friends who runs a business said to me, “Do you know what, Justin? I’ll do you a favour. I’ll come along,” and I told him off. I said, “It’s nothing to do with favours. This has to work for you. There are reasons why it hasn’t worked for you in the past, and this is why we need to do a Disability Confident event.” Through the Disability Confident campaign, we can give employers the confidence to employ people with disabilities. I pay tribute to the DWP Disability Confident team, who were fantastic in providing manpower and very patient when I decided to do things completely differently.

I did a reverse jobs fair. Rather than a typical jobs fair, where people seeking a job turn up and hand out their CVs to employers, we gave stalls to 25 local organisations in my constituency in Swindon who help disabled people get into work. We had Pluss and the Shaw Trust, and lots of local organisations. I then wrote to all the employers that I could find addresses for and said, “You probably have recruitment problems, because we are close to structural full employment. I want you to come along and tell all these organisations where your skills gaps are, and they might be able to match someone to you.” There were 25 organisations, and 80 employers turned up—that was 180 people.

On the day, at STEAM Museum, we had 30 employer pledges. McDonald’s alone took three young adults with a disability to start immediate employment at a newly refurbished restaurant. There were two internships. Three organisations—Swindon Borough Council, Network Rail and the Research Councils, all major employers in my constituency—signed up to the Disability Confident campaign. Swindon College launched an internship programme for those with a disability. The local enterprise partnership wrote to all the businesses to provide the information; we had three donations from businesses to some of the charities there to support their work further; and 17 businesses agreed to meet different organisations after the event to specifically talk about how they could provide people to match the skills.

A lot of the businesses were worried. Would they be able to provide a safe environment for somebody with a disability? The hon. Member for Strangford (Jim Shannon), who has just left, made the point about the cost. That is why things such as Access to Work can help—it had a stand. Organisations understood that they could go to the employer’s business and say over a cup of tea, “This is what you will need to do to make a change. We will help to do that. We will not just drop somebody off on day one and then hope it all goes well. We will work with you because, when this is a success, which it will be because these people have great skills, you will keep coming back to us.”

Crucially, we all want more disabled people to have an opportunity. Everybody gains because the employers have skills gaps. People are determined to contribute and want to work. They are enthusiastic and talented. Through the Disability Confident campaign, we have an opportunity to share best practice and promote it. I fully support what the Government are doing. The issue has total cross-party support and I pay tribute to every individual MP who has taken the time to do a Disability Confident event. They are making a difference. I have spoken to the young adults and they are very grateful.

3.11 pm

Rachel Maclean (Redditch) (Con): It is a pleasure to follow my hon. Friend the Member for North Swindon (Justin Tomlinson), who has given such a passionate account of his own personal experience. I have taken a lot from that and have been inspired to consider doing something similar in my constituency in Redditch. We have heard excellent contributions from all parties. The debate is very important and I am pleased we are having it today.

My personal experience as an employer before I entered the House taught me how valuable it is to build diverse teams, not for any altruistic reason but because it makes such a difference to the performance of the business. Like the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron), I have a background in psychology and I studied workplace psychology. Diverse teams—diversity of ability as well as all the other things that we think about—have been shown time and again to perform better. They make better decisions and achieve better results, so it makes an enormous amount of sense for us all to promote the Disability Confident scheme for employers.

I agree that work is not just an economic proposition. It is about achieving human potential. It is about individuals and whatever ability they have been born with being able to achieve their potential, contribute and make a difference in their lives. It is so inspiring to hear some of the stories that we have heard today.

I am a relatively new Member. I am pleased that 23 employers in Redditch have signed up to the Disability Confident scheme. I want that number to grow and I shall take practical tips from Members to try to push that number up. I have already visited six of those employers, so I have seen what a difference the scheme makes and how transformational it is for individuals’ lives when they contribute and have a purpose. It is not just about a manufactured scheme. It is about a real contribution on the same basis as any other employee. They are valued for the contribution that they make to the business or organisation. That is what is important. People who are disabled, like people who are not disabled, deserve to be valued for what they put into the workplace and into the organisation. Like my hon. Friend the Member for Ochil and South Perthshire (Luke Graham), I have signed up to the scheme.

I was interested to watch the programme on TV, “Employable Me”, a few months ago, which I thought was a fantastic example of what a difference employment makes. It was inspiring and heart-warming to hear from people who had faced challenges to get into the workplace. Very often simple and practical changes can be made in a workplace. I agree with the hon. Member for East Kilbride, Strathaven and Lesmahagow that sometimes employers can be put off. I recognise that. Working in a small business and starting up a small business without a dedicated HR function can mean that there is a fear—people visualise a lot of different equipment or modifications being needed, when sometimes that is not the case. It is very much about educating colleagues in the workplace to understand and appreciate how they can make small changes to enable people to fulfil their potential. I have personal experience of working with disabled individuals in many different walks of life. It has always been overwhelmingly positive and has made such a difference when one takes the time to understand what the challenges can be.
I welcome and commend the Government’s ambitious scheme. Like colleagues, I have a couple of suggestions for the Minister. The Shaw Trust has just won the contract in Redditch to deliver the programme there. I recommend the Minister looks at the recommendation that the trust has put forward. There is a one-stop shop, a portal, for employers to go to, where they can receive all the information and resources that are there for them to improve Access to Work. A former Minister for Disabled People referred to the Access to Work programme as one of the Government’s best-kept secrets. We should not let that be a secret. It should be a primetime headline, because it is excellent news.

The Minister might like to consider whether we should publish more figures. Should we require large companies to publish figures of their success on employing disabled people? We have seen what is happening in the gender pay gap, where there is definitely a lot more to do, but we are starting to achieve positive change. Perhaps we could do that with disability as well.

Several hon. Members rose—

Andrew Rosindell (in the Chair): Order. To try to get all Members in this afternoon, will everyone try to restrict their comments to about three to four minutes maximum, please?

3.16 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Mr Rosindell. I congratulate the hon. Member for Ochil and South Perthshire (Luke Graham) on securing the debate. It is important that it should take place now, following the publication of “Improving Lives” on 30 November. The Christmas period gave us an opportunity to read it and to consider its findings and recommendations.

The disability employment gap has been with us a long time. It is a bit like the “Mind the gap” announcement on the underground, where in some stations the same message has been broadcast for more than 40 years. We need to change the record. A good start has been made, and 530,000 more disabled people are in work than four years ago, but the gap has been stuck at around 30% for over a decade. The challenge that we now face is to remove the barriers that prevent disabled people from getting into work, realising their full potential and having the fulfilling lives that are so important to them and their families.

The barriers, which have been well discussed today, include inaccessible recruitment processes, securing reasonable adjustments in the workplace and overcoming employer uncertainty about taking on disabled people, first for work experience and then for full-time employment. I welcome the Government’s plans to test out ways of improving people’s experiences of the work capability assessment and then to deliver long-term reforms. I am grateful to the Minister for a personal assurance that she will do that.

I sense that for Disability Confident to be a success, the Government should provide a national framework, within which local people and organisations would be the champions, and understand the needs, of their local communities, and could set about delivering the scheme on the ground. The measures and support that the previous Secretary of State announced on 30 November help to provide that framework. There is a need for regular reporting and evaluation of how the campaign is going. “Improving Lives” must be a living document, not something that gathers dust on the shelf. If it is, a good databank of good practice will be built up, and can then be cascaded down to local communities. With the Government in the background providing the framework and support and acting as a critical friend, delivery must ultimately be down to local people.
A possible criticism of “Improving Lives” is that it does not provide guidance on how local initiatives can be nurtured and go on to flourish. The feedback from the roundtable discussion that took place in Lowestoft as part of the consultation, and from the Disability Confident event that was put on by Jobcentre Plus, Mencap, local charities and employers in October 2016 at Lowestoft Sixth Form College, is that it is local people who want, and are best placed, to drive forward the campaign. That is an approach that we will build on locally at a chamber of commerce event in March.

The Government have made a good start in promoting Disability Confident, but more work is required to put flesh on the bones. I hope that my hon. Friend the Member for Ochil and South Perthshire will put in for a debate on this matter each year, so that annually there will be report-back sittings at which the Minister can make a statement and Back-Bench MPs can provide feedback from the communities that we represent. It is important that Disability Confident should succeed. If it does, Britain will be a much better place. Not only will disabled people and their families acquire a real sense of fulfilment and wellbeing, but so will their work colleagues.

3.24 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): It is a pleasure to serve under your chairmanship, Mr Rosindell. I congratulate my colleague, the hon. Member for Ochil and South Perthshire (Luke Graham), on securing this important debate. [Interruption.] It is an Ayrshire pronunciation.

Since the inception of the Disability Confident scheme in 2013, as has been said, some 600,000 more disabled people have secured employment. While that is welcome, we must strive to improve that figure. The scheme aims to change attitudes, behaviours and cultures to ensure that the skills and talents that many disabled persons possess are not overlooked, but utilised to benefit businesses, communities and, most importantly, the individuals concerned. It is to be hoped—and I am sure that it will happen—that more employers will attract, recruit and retain disabled workers. The process includes promotion of the Access to Work scheme, which was mentioned earlier and is emerging as important in securing changes to workplaces, to allow disabled people to be employed. That has inspired more than 5,000 employers to sign up to the scheme.

Within my wider constituency area there are examples of committed employers who have signed up to and are actively participating in the Disability Confident scheme. They include South Ayrshire Council, Tartans & Tweeds in Girvan, and Ayrshire Hospice. Many others have also signed up, and I welcome their participation. I encourage businesses to consider signing up to become Disability Confident employers. Online Government guidance and resources are readily available to assist businesses large and small that want to join the scheme.

I applaud local DWP staff who are hosting employer events. Two seminars are being planned to encourage employers to become members of the scheme. MPs can all become ambassadors in our constituencies to promote this wonderful scheme. I employ someone in my own office who is regarded as disabled under the Equality Act 2010, for whom I am required actively to consider whether any reasonable adjustments are required, and that individual is an effective and valued member of my team. It is important that disabled persons have equality of opportunity and that we ensure that their skills and talents will not be overlooked.

We have come a long way since the scheme was introduced in 2013. The “Improving Lives: Work, health and disability” Green Paper of 30 November, which has been mentioned by other hon. Members, creates further opportunities for more disabled people to take up employment, with an ambitious target to secure employment for 1 million more individuals over the next 10 years. The Green Paper also explores opportunities for apprenticeships and for self-employment, as was mentioned. A disabled person need not necessarily be an employee, but could become an employer. Such opportunities are supported by 300 disability employment advisors and about 100 small employer advisers.

The Government can be proud of their endeavours and, to a degree, their success in creating an environment to enable disabled individuals to secure and retain employment, and develop their full potential.

3.27 pm

Trudy Harrison (Copeland) (Con): I congratulate my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) on obtaining the debate and on his persuasive email to colleagues encouraging us to join up, which I did. It was very easy, and I know that he will be checking how progressive we are in our office. The scheme is much needed, not least because of the statistics that we have heard, showing that about 50% of disabled people are employed, compared with 80% of non-disabled people. It will of course improve the recruitment and retention of a more diverse and talented workforce. I am pleased that I have signed up.

In my time as an MP I have the pleasure of visiting a number of businesses, many of which have signed up for the scheme already. One that stood out was Carillion, a supplier to the nuclear industry, which is working with National Autistic Society, recognising a skills gap and the fact that there could be opportunities from adapting its recruitment and retention procedures. That brought home to me the benefits to us all of improving those procedures.

Having visited businesses in my community, and organisations such as the Egremont Youth Partnership, which works with young people with disabilities, and Mayfield special school—I have also met self-sustaining groups that support parents of people with autism, such as Autism Around the Combe—I know that there is something lacking in provision during the passage from being a young person to an adult. I should like the Minister to work with other Departments, and particularly with the Department for Education and the Department for Business, Energy and Industrial Strategy, to ensure that ways are sought to improve disabled people’s access during the passage between being a young person and adult. That applies particularly to apprenticeships.

I am looking forward to the National College for Nuclear opening on 9 February. That will provide even more opportunities for my constituents and many others to work in the nuclear industry. However, when I asked what provisions it has put in place for the recruitment of disabled people, there was a gap in knowledge—I certainly noted an area for improvement.
Today’s debate has been positive, and Members’ contributions have been quite something. As always, the most inspirational point was made by my hon. Friend the Member for North Swindon (Justin Tomlinson), who spoke of the role that we as MPs can play in

friend the Member for North Swindon (Justin Tomlinson), the most inspirational point was made by my hon. contributio ns have been quite something. As always, 

[Trudy Harrison]

The hon. Member for North Swindon (Justin Tomlinson) identified some big employers as being engaged, but believes that most small and medium-sized enterprises are not as capable, or perhaps less well informed, when it comes to taking up such opportunities. He highlighted how to run a reverse jobs fair—an event I have also organised in my constituency. Such events are precious because they allow employers and employees to network with each other over the course of one working day, which can prove invaluable.

The hon. Member for Redditch (Rachel Maclean) spoke about the benefit to the workplace of a diverse team and the value that that can bring. The hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) emphasised that this issue is perhaps more about employers than employees, and the benefits and fundamental decency of the Disability Confident scheme. The hon. Member for Waveney (Peter Aldous) spoke about removing barriers, including employer uncertainty. That links back to my earlier point about networking events and introducing employers that have successfully employed people with a disability with those that are hesitant and need help to bridge the gap. That confidence gap can be bridged by such events.

The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) spoke about how changing attitudes and cultures is crucial. The importance of the Access to Work scheme was re-emphasised, and that should be echoed by us all. The hon. Member for Copeland (Trudy Harrison) said that she has visited a number of local employers that have signed up to the scheme and are already reaping its benefits. She asked the Minister to work across Departments to improve all aspects of the recruitment and retention process.

Only about 49% of working-age disabled adults are in employment compared with 80% of those with no disability. Although many disabled adults make important contributions to the economy, others face barriers to employment. Breaking down those barriers and creating inclusive workplaces is good not only for individuals who are able to get into work, but for the whole country. Disabled people have the same ambitions, aspirations and work ethic as others, but they are under represented across a broad range of industries. We should maximise the skills and talent of everyone who can contribute to our economy.

Employers should be aware that support is available to them to help to remove the barriers that prevent disabled people from utilising their talents. I strongly encourage all employers to seek out such support. Hiring disabled people is not just a moral issue; it makes good business sense. Research highlighted by a previous Minister for Disabled People, the right hon. Member for Portsmouth North (Penny Mordaunt), showed that 92% of consumers think more favourably of businesses that hire people with disabilities, and that 87% of people would prefer to give their custom to companies that recruit disabled people.
In the past, we have seen how misconceptions have prevented disabled people from taking up employment opportunities. We must challenge those misconceptions. The Scottish Government have a number of programmes to help disabled people as they seek employment, including the targeted employment recruitment incentive, which is helping young people who are disabled or who have additional support needs. The Disability Confident campaign will complement that work, but we should be clear that, although much has already been done, there is still much more to do.

3.37 pm

Marsha De Cordova (Battersea) (Lab): It is a pleasure to serve under your chairmanship, Mr Rosindell, and I congratulate the hon. Member for Ochil and South Perthshire (Luke Graham) on securing this important debate. He made some valuable points, particularly about engaging and encouraging employers to recruit more disabled people, and about the importance of reducing the disability employment gap. I share his pleasure in the fact that so many Departments are signed up at business leader level for the Disability Confident scheme, and I hope the Minister will ensure that all Departments do that. I am currently completing an application for my office to become a Disability Confident employer. The hon. Gentleman also recognised the importance of work and the positive impact that that can have on one’s health and wellbeing.

Good contributions were made by several hon. Members, and we all recognise the importance of the scheme. The hon. Member for North Swindon (Justin Tomlinson) spoke passionately about the scheme that ran in his constituency. He was once Minister for Disabled People, so he is very knowledgeable about the scheme, including some of its shortcomings.

All hon. Members will be in favour of improving employment opportunities for those with disabilities and long-term conditions, but figures for the disability employment gap show that there remains a clear and continuing problem regarding access to sustainable and supportive employment. For far too long, many disabled people have not been in work. That is unacceptable, especially when we compare the numbers of those in work who are not disabled with those who are. Currently, 49.2% of disabled people are in work. The Disability Confident scheme was designed to address the clear failures of our employment support system. However, we have so far seen very little evidence of its success at tackling the problem. That is demonstrated by the employment gap. In fact, what we have seen from the Government is a shift in direction. At the 2015 general election, the Conservatives promised to halve the disability employment gap by 2020. They have since dropped that commitment and are now looking at a slightly lesser target. It is slightly less ambitious—they now seem to say that they will not halve the disability employment gap by 2027.

That is also true of the Disability Confident scheme. The Government were supposed to “assess specific, measurable, action taken by employers” as a result of the scheme. That has shifted. The Government now claim that they are “not able to measure the number of disabled people moving into employment as a direct result of it”.

How are we supposed to assess whether the Disability Confident scheme is actually improving people’s access to employment? There is a clear need for a meaningful method of evaluating the scheme and its effects in terms of getting disabled people into work.

Many disability organisations have sent us briefings, and Disability Rights UK has highlighted their concerns. When the Department for Work and Pensions launched the scheme, it did not refer to how it would look at job outcomes. What is more important is evidence—we do not see the attitudes of employers and their understanding of disability employment. For one thing, many of the employers that have signed up to the scheme are large employers that transferred from the old legacy scheme—the two ticks system. Obviously, what we need to do, looking at the numbers going forward, is see how we can continue to encourage other employers. As has been made clear, the scheme has about 5,000 members, which is great, but we have to consider that in context: there are more than 4 million small and medium-sized enterprises in this country. I would be keen to hear the Minister say a bit more today about what we are doing to encourage more businesses to become part of the scheme.

This matters because the attitudes of many employers remain the central barrier to recruiting disabled people. The charity Leonard Cheshire Disability found that 60% of line managers surveyed stated that concerns about the costs of workplace adjustments prevented them from employing a disabled person, so it is clear that employer attitudes are not shifting. Work needs to be done on improving the attitudes of employers. If we look at the details, we see that often there is a lack of knowledge about reasonable adjustments, which is obviously another barrier.

Not many employers are familiar with the Access to Work scheme. We all know that that is probably one of the most popular schemes. It is effective in its results in supporting people in work, and it supports people to stay in work. However, I always say, as I heard another hon. Member say, that it is one of the best kept secrets, because so many people are not aware of it and what it can do. How can the Disability Confident scheme grow and expand if employers are not aware of the Access to Work scheme and the important role that it plays in supporting disabled people into work? I have been a beneficiary of the scheme throughout my career.

I am conscious of the time, but will say a bit about awareness raising. Between 2014-15 and 2016-17, the Government spent about £13,500 on promoting the Access to Work scheme. I think we would all agree that a little more needs to be done on improving and raising awareness of the scheme. It would be very welcome if the Minister outlined what plans we have to raise awareness and for ensuring that Access to Work will be adequately funded. Obviously, we all want demand for the scheme to increase, because we all want more disabled people to get into work. I therefore want to hear more about ensuring that the scheme is adequately funded.

Disability Confident is a voluntary scheme. There is a question about how we can further encourage and incentivise employers to become part of it. The scheme is good in part and well intentioned. As I have said, it is sometimes difficult to measure the good impact. Not evaluating the impact is how we end up with a scheme under which, as has been pointed out, it is possible to achieve level 3 accreditation without actually employing
a single disabled person. More needs to be done to ensure evaluation. I therefore ask the Minister again whether she agrees that the Disability Confident scheme should measure the number of disabled people moving into work. To build on the current scheme, there should be some sort of independent evaluator to monitor and evaluate progress under the scheme and how well employers are doing in recruiting disabled people and retaining them in work.

3.46 pm

The Minister for Disabled People, Health and Work (Sarah Newton): It is a pleasure to serve under your chairmanship, Mr Rosindell. I add my warm congratulations on securing the debate to all those expressed by other hon. Members. Members towards my hon. Friend the Member for Ochil and South Perthshire (Luke Graham). This is one of those rare occasions in Parliament when we have much agreement. My hon. Friend did a splendid job of outlining the Government’s achievements and had obviously done a huge amount of homework to understand and describe all the data, so I am not even going to bother. He can consider himself as knowledgeable as the Minister on all the statistics and data.

I do not have much time and will not be able to respond to everyone’s suggestions in as much detail as I would like, so I will write to everyone who took part in the debate to respond in more detail. However, as there have been really good suggestions and some concerns raised, I will, in the few minutes available to me, talk about those.

First, on the scale of our ambition, my right hon. Friend the Prime Minister could not have made it clearer that she believes in a country that must work for everyone, not just the privileged few. For our nation to be successful, we need to build on all the talents of all our citizens, which includes people with disabilities and health conditions. We are very ambitious to ensure that people who are disabled or have health conditions can play their full part in society, which of course includes employment, to the extent that they can, so that we are determined to do everything that we can to build on the progress that we have seen. We have heard today about the hundreds of thousands of people now in employment who were not previously. Just in the past few years, we have made a significant improvement, but we are ambitious to do more. We have set ourselves a target of 1 million, which is a really good starting point, but like my hon. Friend, I believe that targets are there to be exceeded—to be exceeded. We will all be celebrating when we get past that point.

“Improving Lives: the future of work, health and disability” sets out a very comprehensive strategy for delivering on our ambitions. We have firm plans, which are detailed in that document. We are taking action across three settings: in welfare, with the work that the DWP does; in the workplace, in partnership with employers; and, very importantly, in the health system. For the first time, we have a joint unit between the DWP and the Department of Health and Social Care. Colleagues have rightly made much today of the importance of different parts of Government working together. That joint unit is a step in the right direction. In addition, I will be chairing a meeting of Ministers across Government to ensure that we are doing everything we can in each Department. We have heard about the work that we need to do with the Department of Health and Social Care and with the Department for Business, Energy and Industrial Strategy. I see the industrial strategy, clearly setting out that we want to see growth right across our country, as a key part of enabling me to deliver on my targets. We will be setting out very clearly how we can work with employers to create healthy, inclusive workplaces where people can thrive. Part of the problem is not just getting people into work—most people will acquire their disability during their life—but enabling adaptations to be made in the workplace, so that people can stay in work. That is probably more important with mental health than anything else. “Improving Lives” was our response to the Stevenson-Farmer review, where we adopted all of the recommendations that were made. We are encouraging employers to look carefully at what more they can do to support people with mental health issues.

The key part of our plan is to improve access to occupational health. For too long, occupational health services have been the Cinderella services of the NHS. Our joint unit with the Department of Health and Social Care will bring real focus to that. The plans that we have set out will require a lot of innovation. We are building a very robust evidence-making framework, so that we are sure we are capturing information about what works.

Some questions were raised around the House about the possible negative impacts of devolution. I want to reassure hon. Members that this is a UK-wide ambition and a UK-wide scheme. We work very constructively in Scotland. I want to give some examples. We have recruited 24 community partners with lived experience of disability to work in our job centres. We have appointed 12 new small employer advisers. We have implemented more than 11 peer support job clubs. That is just in the first few months. I hope that is reassuring that our ambition is for this to be a UK-wide scheme.

Of course, this is about establishing strong partnerships with employers and listening to their concerns. We have heard about some of those concerns today. I want to point out that we now have 5,357 companies signed up to Disability Confident. The vast majority—67%—are SMEs, with 46% being microbusinesses where people employ just one or two employees. We are getting to those small employers, but we accept that there is more work to be done. Those barriers, which have been articulated so well today, exist in a lot of employers’ minds. What are we doing about that? We are very actively promoting Access to Work. We are doing that through working with networks of organisations, such as the chambers of commerce, the Federation of Small Businesses and the local enterprise partnerships—businesses themselves.

Heidi Allen (South Cambridgeshire) (Con): It has always occurred to me that Access to Work is a great tool when someone has their job, but a bit like a journey, they need petrol to put in the car to get to the journey. There should be access to work experience and job interviews. What does the Minister think about expanding the scheme to cover those as well?

Sarah Newton: I appreciate that intervention because I can clarify that that already exists. Access to Work can be used in all of those circumstances. Perhaps in the
past not all of the job coaches in all of the jobcentres knew about that. We have made a massive investment in training our job coaches so that they are fully aware of all of these opportunities, and we have trained additional specialist disability advisors in the jobcentres, as well as our community partners, with their lived experience.

The amount of training and information from the job coaches goes to the heart of some of the points that were extremely well made by my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez), who spoke about her constituent Drew. His journey is one that I am sure we all recognise from our constituency casework with young people and their parents. The parents are really worried about what happens to their child, particularly if they have learning difficulties—autism was the case quoted with Drew. When they leave education, they want to work, they have a passion to work, but they can find it very challenging to navigate the system. That should not be the case now. His job coach in the jobcentre will have access to all these different support services. Our innovation and our vision is about putting the person at the centre of their journey to work and fitting the support and the services around them. Access to Work is the key part of that, but other things are available as well, such as tailor-made support packages depending on the level of support that people need.

I want to reassure everyone that Access to Work is a demand-led funding pot. As the demand grows, so does the funding. Year after year we put more money into that pot. The amount of money one can have every year goes well over £40,000, so it is a considerable amount of money to enable people into work and to stay in work. Under the Equalities Act 2010 employers have responsibilities to make reasonable adjustments. A key part of the role of the Access to Work team in the Department is to have those conversations. It is a three-way conversation between the person seeking work or wanting to stay in work, the employer and ensuring those services are funded through Access to Work. We have people from the DWP present today, from Disability Confident and Access to Work. I am sure they will be really pleased to hear hon. Members compliment their work. Certainly in my time as a Minister I have seen what an extraordinarily dedicated team of people we have, not only on the frontline in our jobcentres, but in the Department. I hope they have received those comments and will take them back to their colleagues.

What more can we do for SMEs? In our plans we recognise the valuable contributions that have been made by, for example, the Shaw Trust, which has advocated for a portal. We are now actively looking at designing a portal so that employers have a one-stop shop to see all of the benefits and supports that are available. That will be live this year. We are also looking at what more we can do for incentives. This has come up a bit today. There were suggestions about using some of the lessons from apprenticeships. Again, we have committed to look at what incentives would work for employers. I am very engaged with large, small and medium-sized businesses. I am fortunate to have a great leadership group of people from businesses of all sizes and all different sectors working with me, to really help get this right for employers. For example, we have committed to looking at whether a national insurance holiday would be an incentive to help businesses employ more people with disabilities.

A couple of other questions were raised about the quality assurance of the programme. Just to reassure hon. Members, if an organisation reaches level 3, it has to be independently audited. Somebody goes into those organisations to make sure they are actually delivering on what they say they are doing. It gives me great pride to say that every Government Department has now reached level 3. Just before Christmas I attended quite a scary meeting of all the permanent secretaries—these are truly the people that run our country—to give them their level 3 certificates. I have set them a very clear challenge for this year: to use their leverage with supply chains—Government are a huge purchaser of services—and to have a discussion when they are commissioning or purchasing services about whether they are working with Disability Confident employers. All of those permanent secretaries work with a lot of arm’s length bodies. They have committed to me to work with those organisations. People expect us to lead from the front in Government and they expect public services to be a leading example. I am working to ensure we will do that.

It remains for me to touch on one final issue, going back to young people, which various hon. Members raised: why do we not do more about supported work experience and apprenticeships? I can reassure hon. Members that the Government have put a lot of money—a lot more than in the past—into enabling more apprenticeships for disabled people, to ensure they are properly supported, and have put a considerable amount of extra money into supported internships. I recently visited companies that were taking on many more young people as a result.

I want to praise everybody who has taken up this opportunity, particularly my hon. Friend the Member for North Swindon (Justin Tomlinson), whose work is inspirational. We have set up a meeting, which all hon. Members have been invited to, to learn how to become Disability Confident and how to set up the inspirational sort of meeting that we have heard about today. I thank everyone for what they have done and ask that they please come to this meeting, so that they can all be part of the change that we all want to see.

3.59 pm

Luke Graham: I have 20 seconds, and I just want to thank all hon. Members for contributing so much. To pick up the point my hon. Friend the Member for North Swindon (Justin Tomlinson) articulated so clearly, this scheme is not a favour, it is not charity, it is about realising true talent. Disabled individuals have been the President of the United States, and have unlocked the secret of the universe in the case of Stephen Hawking—and that was before the scheme! I look forward to seeing what they can achieve after the scheme has been in place for a few more years.

Motion lapsed (Standing Order No. 10(6)).
Cancer Treatment: Patient Travel Times

4 pm

Tim Farron (Westmorland and Lonsdale) (LD): I beg to move,

That this House has considered patient travel times for cancer treatment.

It is a great pleasure to serve under your chairmanship, Sir Christopher. I should also like to consider satellite radiotherapies at Westmorland General Hospital.

Almost every story that I have heard or read in recent times about the national health service has been negative. I understand why, given the debate in the main Chamber at this moment, but I sometimes wonder how much this further damages the morale of the thousands of professionals who work in the national health service.

So I want to start by paying tribute and saying a massive thank you to those NHS professionals who work tirelessly up and down the country, day in and day out, to look after us and our loved ones when we need it most. I especially want to put on record my appreciation for those who work in cancer care. We have some of the best cancer care in the world. We should all take a moment to recognise the fantastically high standard of treatment that we have in this country, delivered by professionals whose competence and compassion are the hallmark of our NHS.

But here is the problem: yes, we have world-leading treatment, but it is not truly available equally. The availability of care depends hugely on people’s ability to access it. I welcome, and have done so on the record, the £130 million announced by NHS England that is to be invested in improving radiotherapy treatment, and the new service specification, which aims to improve standards across the country. Working in clinical networks and developing specialised services has a strong evidence base, but what is not addressed is the inequality in access to services that already exist. That inequality will only get worse if it is not addressed now by NHS England. I am grateful to the Government that the consultation on allocating that investment has been extended to 24 January, not least because it gives the Minister the chance to amend the criteria and the priorities for allocating services.

I passionately believe that one of the criteria in allocating improved radiotherapy services must be the shortening of the distances that people have to travel, especially for those with more common cancers. My position is backed up by evidence, including a publication in *The BMJ* in 2016 indicating that outcomes are worse for people who need to travel further. Let me be clear what “worse outcomes” actually means.

Worse outcomes can mean patients actively deciding to forgo potentially life-saving or life-lengthening treatment because getting to hospital is just too much of a trauma for them owing to the length and difficulty of the journey that is required. Worse outcomes means choosing forms of treatment that may be less effective than radiotherapy because the nearest unit is too far away. Worse outcomes includes patients failing to complete a vital course of radiotherapy treatment because they simply cannot cope with the gruelling, wearying travelling every single day.

Action Radiotherapy estimates that one in six of us will need radiotherapy to treat cancer at some point in our lives, but easy access to this treatment can depend entirely on a postcode lottery. It is the sad reality that in rural areas of England travel times to cancer treatments can be unbearably long for too many people, and patients are often forced to cover these long distances on public transport. Not everyone has the option of travelling in the relative comfort of a personal car, and even if a person does, driving themselves or being driven, day in and day out for four to six weeks, is a massive challenge.

I believe that it is frankly cruel, if we could do otherwise, to force people who are already very poorly to make a two or three-hour round trip every day, for weeks, in order to receive life-saving care.

Jack Lopresti (Filton and Bradley Stoke) (Con): I congratulate the hon. Gentleman on securing this debate. I am a cancer survivor. I survived stage 4 cancer and I had a month of radiotherapy; I had to get the bus most days to get there, and caught a nasty infection because of the travel time, so I fully appreciate where he is coming from. I would like to highlight the cases of families with children with cancer. According to CLIC Sargent there are fewer than 20 treatment centres nationally, and that makes life extremely difficult for families who are having to travel for treatment. Will he pay tribute to CLIC Sargent for the respite care, finance and accommodation that it provides to families going through this terrible process and journey?

Tim Farron: I am grateful to the hon. Gentleman for raising those issues and his own personal experiences. As I will come to in a moment, the issues affecting children and young people are even greater. I am very happy to pay tribute to the work and provision of CLIC Sargent and, in particular, to recognise the impact on people with cancer who have young children themselves. Maintaining an income and maintaining family life is an immense challenge, and the distances involved can make it yet harder, so I thank him for that intervention.

In its 2007 report, the national radiotherapy advisory group recommended that cancer patients should have to travel no more than 45 minutes one way—an hour and a half both ways—to receive radiotherapy treatment. This was adopted in the service specification by NHS England, but has since disappeared. Experts in the field maintain that travelling any longer could have a hugely negative impact on treatment outcomes and patient wellbeing. If preventing unacceptable travelling times became a part of NHS England’s criteria for delivering radiotherapy, it would hugely increase our chances of bringing a radiotherapy satellite unit to Westmorland General Hospital in Kendal.

Bill Grant (Ayr, Carrick and Cumnock) (Con): I thank the hon. Gentleman for giving way during his important and passionate contribution to this debate. I know that he is focused on England, but may I share with him that in Scotland the issue is the same, if not worse, because of the rurality of Scotland and the distances travelled? I find some of his points very interesting when we have the Ayrshire and Arran health board not closing, but reviewing, a chemotherapy unit, Station 15, at University Hospital Ayr. The closure of that unit would impose a 32-mile round trip on patients who, to
exacerbate that, may have travelled a 40 or 50-mile round trip. The issue is UK-wide, so I thank him for securing this debate.

Tim Farron: I very much acknowledge the hon. Gentleman’s powerful point. In general, it is important that none of us are misunderstood here: centres of excellence are incredibly important; nevertheless access to treatment is also important. Where we are at the moment means that we are looking at the former to the exclusion of the latter, when both could be considered.

Chris Davies (Brecon and Radnorshire) (Con): If I may, I would like to declare that my wife is a therapeutic radiographer in an NHS cancer trust, and put that on record. I agree with my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant). From a Welsh perspective, we are seeing some people travelling 60, 70 or more miles to get radiotherapy treatment. Does the hon. Gentleman agree that satellite centres from specialist centres are the way forward? My wife works in the Hereford cancer unit, a satellite centre from the specialist centre in Cheltenham, which knocks 40 miles off people’s journeys.

Tim Farron: I would like to thank the hon. Gentleman’s wife for her work, but also to say that he is absolutely right. There are great models, including from the Christie in Manchester, where they already operate satellite services. Arguing for rural or any form of standalone cancer services is foolish and is not what I am asking for. I am asking for satellites of existing, established, high-quality cancer units such as the Rosemere in Preston, the Christie or others of that nature. Making sure that we meet those needs by having a satellite unit at the Westmorland General Hospital in Kendal would have a positive impact on the lives of thousands of people in south Cumbria who are living with cancer. That is what I ask the Minister to do.

Radiotherapy treatment at Westmorland General Hospital is long overdue and would mean the world to local people, who now have to make the long journey to Preston for treatment. Let us be clear: the Rosemere unit in Preston is excellent—my own mother received wonderful treatment there, and the quality of the service and care provided by NHS professionals still moves me when I look back today—but for most people in south Cumbria, it is ludicrously distant.

Julian Sturdy (York Outer) (Con): I congratulate the hon. Gentleman on securing the debate. Will he also note the importance of local charities? In my constituency, we have a charity called York Against Cancer, which has raised £15 million over the past three years. That money goes towards running a local minibus from York to Leeds for patients who have to be treated at Leeds in the radiology department.

Tim Farron: I am very happy to acknowledge the work of local charities in my area. The Rosemere Cancer Foundation and South Lakes Cancer Care do immensely good work, just like the charities in the hon. Gentleman’s constituency.

For some people living in the remotest areas of my part of the world—in south Cumbria—who are eligible for hospital-provided pick-ups, a round trip to access treatment in Preston, including waiting times, could easily surpass six hours. That is on a good day, when all standards are being met.

Steve Double (St Austell and Newquay) (Con): I congratulate the hon. Gentleman on securing a debate on this very important matter. The area of Cornwall that I represent has similar issues to those in Cumbria, and NHS England is consulting on closing our only treatment centre for radiography in Truro. That would mean people from the far west of Cornwall having to travel all the way to Plymouth for treatment. At the height of summer, when the roads are busy, that could easily be a five or six-hour round trip. Does he agree that that is far too long to expect patients to have to travel to receive this essential treatment?

Tim Farron: Yes, I fully agree. That is why the NHS England consultation is the right time to set criteria. If we all say, “We’d rather like it if these issues are addressed,” nothing will happen, but if they are set as firm criteria and priorities as a consequence of the consultation, something should happen. The hon. Gentleman was right to raise that point.

Requiring NHS trusts to make it a priority for investment to ensure that radiotherapy is available more locally—such as by bringing a satellite unit to our local hospital in Kendal—would significantly improve outcomes for patients. That has been the focus of our long-running community campaign. I want to say a massive thank you to the many thousands of people who have been involved in that campaign so far. Just before Christmas, on behalf of our community, I presented a private Member’s Bill that would specify 45 minutes as the maximum time that patients have to travel to access radiotherapy treatment. I urge the Minister to support that Bill and ensure that the Government accept it.

I was asked on the radio this morning why, after nine years of fighting this campaign, I had not just accepted defeat and walked away. The answer is that every week in Westmorland, more families learn that they must fight cancer, and we have no right to turn our backs on them. Sadly, the challenge of cancer renews itself week after week, and so our zeal in fighting for those families must also be renewed week after week.

Gillian Keegan (Chichester) (Con): Some 840,000 people live in West Sussex and yet we are the only county in the whole of England that has no radiotherapy facilities within its boundary. I can also confirm the point made by my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti). I recently visited the Sussex Snowdrop Trust, which looks after desperately ill children. The stories of them traveling up to London or Southampton and having to stop several times along the way were heartbreakingly; it is the worst thing to happen when they are facing that kind of trauma. I agree with the hon. Member for Westmorland and Lonsdale (Tim Farron) completely that patient travel times need to be taken into account during the consultation. I hope that they are, and that St Richard’s Hospital in Chichester is considered as a worthwhile investment for LINAC—linear accelerator—machines to help local people in West Sussex.

Tim Farron: All the points that the hon. Lady makes are absolutely right and relevant to those of us who are here today—especially so, given the nature of her county.
Our community in south Cumbria remains proud that we won part one of our fight for a cancer centre. When we launched our campaign in 2009, it was for chemotherapy and radiotherapy. In 2011, we cut the ribbon on the Grizedale ward—the chemotherapy unit—and we are determined to win our fight for radiotherapy too. We have had an overwhelming response to the petition we launched again last September, adding to the 10,000 people who signed the original petition. Thousands more have written in and shared their stories with me locally and nationally. They include stories of the pain they went through in travelling hours every day to get the treatment that they desperately needed; stories of families who suffered watching relatives deteriorate as the long days of arduous travel visibly took their toll; and stories of choosing not to proceed with treatment because of the unbearable rigours of travelling huge distances. All those people have told me how a centre at Kendal could have helped them and their loved ones.

Most of us know, and all can imagine, the shock of being diagnosed with cancer. It is a life-shattering blow. Imagine then being faced with weeks of daily, grindingly long and tiring journeys to receive care. The travel can become the biggest part of the problem. One of my constituents, Philip from Grange-over-Sands, gave me this story, and his words speak more powerfully than any I could use. He said:

“At the age of 81 I had to attend 37 visits for treatment between the May and July 2013. The round trip from Grange to Preston Hospital was in excess of 100 miles per day whether by road or by train and then bus to the hospital. The times of my treatment varied day by day from 8am to 6pm. The treatment machine was not always available at the specified time which meant further time added on to the days travelling. All the above resulted in a very stressful time for myself and my wife on top of suffering from prostate cancer.”

Thankfully, Philip has now been discharged following three years of follow-up visits. He added:

“I trust that future patients may get their treatment at Kendal so good luck with your efforts.”

I was also contacted by the parents of Josie from Oxenhorne. They told me:

“After a truly horrific chemo-therapy regime, which nearly killed her, Josie was left shattered and we faced the prospect of having to make daily trips for 4 weeks to Preston for Radiotherapy. The round trip typically takes 4-5 hours. She is left tired and with little time in the day to do much else. A unit in Kendal would have transformed this experience and left her with more energy and time to take more care of herself.”

Lastly, the words of Magda from Windermere sum up the problem perfectly:

“The whole idea of ever having to do any of this again would make me think twice about undergoing the treatments I was offered.”

Thousands of residents joined me back in 2009 when we launched a similar campaign to bring chemotherapy treatment to the south Lakes. Back then, patients had to travel many miles for any kind of cancer treatment. Thanks to local support, the chemotherapy ward at Westmorland General Hospital opened in 2011, and since then hundreds of local people have benefited from treatment there. We showed that when a community gets behind a campaign and the Government recognises that there is a real issue, changes can be made, funding can be allocated and problems can be solved.

4.21 pm

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): It is a pleasure to serve under your chairmanship, Sir Christopher. It is also a pleasure to respond to the hon. Member for Westmorland and Lonsdale (Tim Farron). I wish to associate myself with his opening comments in praise of the NHS. Demand for NHS services is constantly increasing. We always want the best we can possible get, but by making that case, we often sound as if we are talking the NHS down. Nothing could be further from the truth—we have the best national health service in the world. I am glad to see that the hon. Gentleman is nodding his head, and I am grateful for the persuasive way in which he made his case. He can consider that a very good representation in response to the consultation to which he referred. The points he has made will be reflected on keenly.
Improving cancer outcomes remains a priority for the Government. The work under way is making a difference: cancer survival rates in England have never been higher and have increased year-on-year since 2010. The decrease in cancer deaths means that around 7,000 people are alive today who would not have been had things stayed the same.

We are committed to implementing every one of the 96 recommendations in the cancer strategy for England and to making a difference to the millions of people living with the disease and the thousands more diagnosed each year. We are providing the funding to match our commitment. NHS England has confirmed £607 million in funding to support the delivery of the strategy between 2017-18 and 2020-21.

We want our cancer services to be the best in the world, and we want patients to have access to the treatment and services that will give them the best chance of a successful clinical outcome. That includes the time they spend travelling for treatment. We know that cancer treatments can be arduous. Patients often undergo treatment daily and treatments can last several weeks at a time. Ideally, we want patients to have treatments at their local hospital.

However, specialised cancer treatments are not always best delivered locally. We want patients to have the best possible care available, but for certain cancers that sometimes means seeing a specialist multidisciplinary team with a full range of clinical expertise and capability. Although local is good, we clearly cannot always have specialist care provided as locally as we would like.

A perfect example of that is proton beam therapy treatment. Patients with high-priority cancer types requiring that treatment are sent to Florida and Switzerland at great cost to the NHS, because we have been unable to provide it here. In April 2012, the Government announced a £250 million investment to build proton beam therapy treatment facilities at the Christie in Manchester and University College London Hospitals. The Christie’s facilities will become operational later this year and will offer patients access to world-class treatment on the NHS.

Over the last few years, we have seen astounding technological advances. The UK is leading from the front in using cutting-edge technology in the form of whole genome sequencing to transform healthcare and health research. Wherever possible, it is right that patients have easy access to those life-saving treatments.

The same principle applies to radiotherapy. Around four in 10 of all NHS cancer patients are treated using radiotherapy. Recent advances have helped to target radiation doses at cancer cells more precisely, which means far fewer doses, better outcomes and improved quality of life for patients. That is a crucial part of why survival rates have continuously risen in England.

One of the cancer strategy’s key objectives is to deliver a modern, high-quality cancer service. In October 2016, NHS England announced a £130 million fund to modernise radiotherapy across England that will upgrade or replace older treatment devices over two years.

**Tim Farron:** The hon. Lady mentioned proton beam therapy, which is a wonderful treatment. We are grateful for the investment of more than one Government, which has ensured that it is coming to Manchester and London. She also talked about upgrading existing equipment, which is a reminder that 80% of commonly occurring cancers will still be treated by linear accelerators, albeit regularly upgraded. Therefore the delivery of proton beam therapy and other specialist and precise treatments, and the investment in more locally delivered treatment from linear accelerators in places such as Westmorland, are not mutually exclusive. We need to do both.

**Jackie Doyle-Price:** I absolutely agree—the two are complementary and need to be key ingredients in a successful strategy to combat cancer.

NHS England is not only modernising existing radiotherapy services; it is currently consulting on a new model for them, as the hon. Gentleman said. The aim is to encourage radiotherapy providers to work together in networks to concentrate expertise and improve pathways for patients requiring radical radiotherapy for less common cancers. That will help to improve access to more innovative radiotherapy treatments, increase clinical trial recruitment and ensure that radiotherapy equipment is fully utilised. There is no intention to reduce the number of radiotherapy providers, nor is that considered to be a likely outcome of the proposals being consulted on.

We will continue to ensure that travel times are taken into consideration when looking at cancer treatment in this country. The National Cancer Registration and Analysis Service is evaluating the impact on cancer outcomes of patients living different distances from a cancer centre. Public Health England is also testing travel times from several available datasets, so a programme of work can be established that incorporates data on travel times.

One of the first outputs of that work will be a report on whether there is any demonstrable difference in radiotherapy treatments associated with the time taken to travel to a specialist cancer centre. We expect the first results of that work to be published in the spring. I am sure the hon. Gentleman will have a considerable interest in the outcome.

In the current NHS England consultation, there are proposals that would allow local commissioners and providers to plan, review and redesign services through a joint radiotherapy board. Any case for change would determine the optimum location to achieve the best impact for patients, so it would be possible for patients requiring radiotherapy for common cancers to be treated at a satellite centre. Specialised commissioners will always want to balance patient travel with issues such as the sustainability of the service, whether the service is accessible enough to patients to be financially viable, and ensuring that patients who have to travel are supported in other ways, including through transport and accommodation.

I hope that meets with a positive reaction from the hon. Gentleman. We are consulting on making services more accessible and looking at travel times. I dare say that we will continue to have this debate over the coming months, not least because of his private Member’s Bill.

I understand that the hon. Gentleman recently met his local clinical commissioning group at Morecambe Bay to discuss the accessibility of services. I am encouraged that that dialogue is taking place at a local level.
I hope that what I have set out gives the hon. Gentleman some reassurance. I emphasise that cancer remains a priority for the Government. We remain committed to ensuring the best possible treatment and to achieving easy access in terms of travelling time for all cancer patients, regardless of where they live. I am grateful to the hon. Gentleman for securing this debate.

Question put and agreed to.
representation, but it needs to go further. For example, modifications have been made to the whine of the Airbus A320 that many of us will have heard. I am sorry that my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy, who worked so hard to achieve those modifications, is not present, but I know that he is on Government business abroad—he is in our thoughts, and I know we are in his. The modifications are welcomed by all communities, but they are not enough and they were even agreed before the arrivals review was completed.

Recommendation 11 of the review would have provided a fair solution, utilising both sides of the airport equally on days with no wind, but it was rejected. It should have happened as part of the commitment to implement the review in full. It has also been admitted by almost all those involved that recommendation 10—widening the swathe—will not alone cure the problem, so we clearly do not have the solution to the noise issue.

Growth comes at a price to the communities affected. The impact of both arrivals and departures is heard for many miles around on all sides. Complaints continue to be made on a daily basis. Business, not only in the local area but for miles around, suffers from noise levels from both sides of the airport. The noise impact measure, which is the Government’s preferred data method, we can show that noise is continuing to get worse in the communities affected, despite the Government’s preferred noise impact measure. Using that calculation, the number of people affected by aircraft noise has increased by 8% across Kent, Surrey and Sussex over the same period. Using the Government’s preferred data method, we can show that noise is continuing to get worse in the communities affected, despite the Government’s preferred noise impact measure.

In fact, it has risen every year.

The Minister will know about the 57-decibel average noise contour—after all, it is the Government’s preferred noise impact measure. Using that calculation, the number of people affected by aircraft noise has increased by 7% since 2013. Looking at it geographically, the affected area has increased by 8% across Kent, Surrey and Sussex over the same period. Using the Government’s preferred data method, we can show that noise is continuing to get worse in the communities affected, despite the policy. My question for the Minister is clear: why have the Government failed to implement the aviation policy framework in full? Their own figures clearly show that noise is continuing to get worse in the communities affected, despite the policy.

Sir Nicholas Soames (Mid Sussex) (Con): I congratulate my hon. Friend on securing this important debate. I know that he has done a great deal of work on the matter and that it has caused grave difficulties in his constituency. Does he agree that one of the problems of dealing with Gatwick—indeed, with any airport—is that people must be able to trust the information that they get from it? In East Grinstead in my constituency, there are constant complaints about erring off the straight and narrow. It is clear that trust has broken down between residents and the airport. What suggestions does my hon. Friend have for a remedy? Does he agree that it is a very serious problem?

Tom Tugendhat: I am grateful to my right hon. Friend for expressing that essential point. The noise management board, which is part of the solution, has begun that work, but of course it cannot solve the problem alone. As he would expect, I will come on to the Department for Transport and its role in restoring trust. I welcome his points.

I remember David Wetz, who lives in Chiddingstone, telling me last summer that he was unable to enjoy his daughter’s birthday celebration properly outside because normal conversation simply was not possible in the garden. That is a disgrace. It is not a matter of nimbysim. It is about people wanting to live a normal life without having a motorway built over their heads.

As representatives in Parliament of communities such as Chiddingstone, we are responsible for representing their interests to the Government—I pay tribute not only to the right hon. and hon. Members present, but to the many others who have joined groups with us. It is clear that we need to enforce a better balance between the interests of the aviation industry and of local people affected by noise. Successive Governments have designed policies that seek to achieve that balance, but we must consider whether Gatwick is complying with them and whether the Department for Transport is enforcing them in its role as noise regulator.

The key policy—it is a welcome policy—on noise is the 2013 aviation policy framework, which clearly stated Government policy on aviation noise as “to limit and where possible reduce the number of people in the UK significantly affected by aircraft noise”.

Jim Shannon (Strangford) (DUP): I know that the debate is about Gatwick, but the same issue affects other airports. Belfast City airport has a cut-off time of 9.30 pm for aeroplanes to land. Obviously there are cases in which aeroplanes land later, but a system of fines is in place and the money goes into the community. Does the hon. Gentleman agree that what happens at Belfast City—a smaller airport, but one that is surrounded by houses—could well be helpful for his investigations, and indeed for the Minister and his Department?

Tom Tugendhat: I am delighted that the hon. Gentleman has come up with some suggestions, and I would be happy to look into them later. In fact, some interesting work has been done on the approaches to Schiphol airport with respect to the effect of laying out the ground on how sound travels. There are interesting ideas out there, and I certainly welcome looking at Belfast’s example.

The policy set out by the Government is clear: they do not endorse any increase in the number of people significantly affected by aircraft noise. That approach is a welcome change, but Civil Aviation Authority data demonstrate that it is not being followed. Since the policy was introduced and the flightpaths were altered radically in 2013, Gatwick has increased its flight numbers by 12% and its passenger numbers by 22%, but the number of people significantly affected has not reduced. In fact, it has risen every year.

The Minister will know about the 57-decibel average noise contour—after all, it is the Government’s preferred noise impact measure. Using that calculation, the number of people affected by aircraft noise has increased by 7% since 2013. Looking at it geographically, the affected area has increased by 8% across Kent, Surrey and Sussex over the same period. Using the Government’s preferred data method, we can show that noise is continuing to get worse in the communities affected, despite the policy. My question for the Minister is clear: why have the Government failed to implement the aviation policy framework in full? Their own figures clearly show that the number of people being significantly affected by aircraft noise has increased.

The aviation policy framework rightly looks at sharing the benefits of growth between the aviation industry and local communities. Indeed, to quote it directly: “The industry must continue to reduce and mitigate noise as airport capacity grows”.

I hope everyone includes in their definition of “the industry” airlines, airports, National Air Traffic Services, the Civil Aviation Authority and all those industry representatives who sit on Gatwick airport’s noise management board. Have the benefits of growth been shared? Certainly, many people are benefiting from the airport—Gatwick and the air industry have grown—but both collectively and within their individual areas of responsibility, they have not done enough to reduce noise.
I am afraid that it remains unclear what the industry has done so far, particularly away from the confines of the noise management board. At the Gatwick airspace seminar and noise management board public meeting only last month, we heard that the airport requires airlines to contribute to the reduction of noise. We also heard very clearly from the chair of the noise management board, Bo Redeorn, that this issue would not be considered because it is outside the terms of reference of the board. However, in a letter to me and six other colleagues on 6 December, the day before the airspace seminar, the Secretary of State for Transport mentioned that Gatwick’s noise management board was the place to discuss these matters. We obviously need a little clarity. Which one is it? Should the noise management board be looking at these matters at the expense of the industry doing anything to reduce and mitigate noise as airport capacity grows? If so, that is in contrast to the policy. However, it is clear from Bo Redeorn’s comments last month that the noise management board is not the place to discuss these matters, contrary to the Secretary of State for Transport’s letter.

I am disappointed that repeatedly the Department for Transport seems unwilling to take a view on whether its aviation policy framework is being properly implemented or not. My view, however, is clear: I agree with Bo. It cannot be left solely to the noise management board, although it definitely has a role. The line from the policy is clear and it is the whole industry that needs to do more, individually and collectively, to reduce and mitigate noise. Passing the issue to the noise management board for its consideration is being used as a reason not to enforce policy, which is a great shame. My second question to the Minister is this: what steps will he or his Department take to ensure that the industry will reduce and mitigate noise on its own, outside of the agreed work programme of the noise management board?

Finally, I will again quote from the aviation policy framework—everybody’s favourite bedtime reading. The framework says it is clear that the Government want “to incentivise noise reduction and mitigation”. Sadly, in the considerable correspondence that I have had with the Department for Transport over the past few years, I cannot find many examples to highlight what incentives have been offered for noise reduction and mitigation. It seems that Gatwick airport’s compliance with the aviation policy framework is largely optional. As Gatwick, along with Heathrow and Stansted, is a noise-designated airport, the Secretary of State has direct responsibility for regulating noise at the airport. It is for the Department for Transport to ensure compliance—that cannot be delegated down to the airport’s noise management board.

Colin Clark (Gordon) (Con): I congratulate my hon. Friend on securing this debate. I will just say how important the south-east airports are to the regional airports and how important economically the south-east airports are to Aberdeen. I know that he will visit the north-east soon, so today I will highlight the heliport at Aberdeen. During his campaigning on noise, I would also like him to emphasise the issue of helicopters, because, as he is well aware, helicopters dwell, as opposed to just flying in on a flight-line. The residents of Dyce, near Aberdeen International airport, are blighted by the noise from helicopters. I would be very grateful if he could remember helicopters as well as fixed-wing aircraft.

Tom Tugendhat: I will be absolutely delighted to remember that. Helicopters are not an enormous issue around the area that I represent, but the issue does arise, and when I am up in the north-east of Scotland I will look out keenly for helicopters.

Community groups, including those who are not affected by helicopters, are represented on Gatwick’s noise management board and wrote to the Secretary of State on 11 October last year—I urge community groups in my hon. Friend’s local area to do likewise. That was followed up on 2 November with a letter from myself and my right hon. Friends the Members for Arundel and South Downs (Nick Herbert) and for Tunbridge Wells (Greg Clark), and for Gatwick (Gordon Brown), for Chichester (Gillian Keegan), for Crawley (Henry Smith), for Horsham (Jeremy Quin), and for Reigate (Crispin Blunt), whose support I very much welcome. We specifically asked what the Government were doing currently to address noise, given that it has been evident for the past half a decade. I am afraid that I was deeply disappointed, as was every resident and community group representative who I have spoken to, that responses from both the Secretary of State and the new Aviation Minister—Baroness Sugg—failed even to mention any action that the Department for Transport was taking. Instead, we heard that the existing channels of communication were satisfactory, when sadly they evidently are not.

As Gatwick is a noise-designated airport, the Department for Transport is responsible for regulating noise at Gatwick and it must take its role as a regulator far more seriously, so my third question to the Minister is this: what measures will he or his Department take to deliver a reduction in noise that meets the aims of the Government’s policy regarding the significance of the airport in recent years? I am sure that that question will be familiar to the Secretary of State because it is exactly the same one that we put in writing in November last year and that was not answered properly in his response on 6 December.

To be clear, three issues clearly arise from the motion. The first is that more needs to be done to ensure that the aviation policy framework is enforced in full; the second is that the industry needs to do much more to reduce noise; and the third and final one is that the Department for Transport needs to take its role as a noise regulator more seriously.

I look forward to hearing the Minister’s response. I welcome the fact that he is here—I appreciate that the Aviation Minister sits in the other place and that my hon. Friend is, as it were, taking one for the team. It is very welcome that he is responding on her behalf.

Before I wrap up, I should emphasise that the only reason I called for this debate is that it is evident that the Department for Transport can do more, should do more and must do more to deliver peace to west Kent. As Gatwick is a noise-designated airport, the Department’s role in this regard is to fulfil its statutory responsibility. A Government should be able and willing to implement the policies that they have introduced. That is all we ask of the Department for Transport to do. It should not be the job of local communities to hold Gatwick airport to account with regard to its growth and consequent noise reduction measures.
I urge the Minister to meet me and representatives of local community groups, including the excellent Gatwick Obviously Not! group, which is based in Penshurst—some of its members are represented in the Gallery today. They can express to the Minister in words that are even clearer than mine exactly what the impact is. I look forward to hearing hon. Members’ comments.

4.47 pm

Christine Jardine (Edinburgh West) (LD): It is an honour to serve under your chairmanship, Sir Christopher, and I congratulate the hon. Member for Tonbridge and Malling (Tom Tugendhat) on securing this debate on an issue that affects not only Gatwick but other airports, like the one in my own constituency of Edinburgh West. Residents living around Edinburgh airport are constantly bothered by the number of planes and the noise they make. Nevertheless, Edinburgh airport is a vital and growing hub for tourism and industry, not only for my city but—

Sir Christopher Chope (in the Chair): Order. This is a debate on a narrow subject—growth and noise reduction at Gatwick airport. Okay?

Christine Jardine indicated assent.

Sir Christopher Chope (in the Chair): If the hon. Lady is going to make a contribution to the debate, she needs to confine her remarks to the subject matter of the motion.

Christine Jardine: Indeed; I understand completely. I was simply going to relate how similar the issue is in Gatwick and in Edinburgh, and how—perhaps—Gatwick airport is an example of what we should be pursuing across the country. Unlike Gatwick, Edinburgh airport is not an airport that is particularly restricted at night by legislation. Like at Gatwick, however, as the hon. Member for Gordon (Colin Clark) mentioned, the problem is endured at a number of airports around the country, and Gatwick provides us with an example that we could perhaps follow.

The general volume of air traffic in this country has grown significantly over the past 10 or 20 years. At Edinburgh airport, we now have 12.4 million passengers annually. I imagine that that number of passengers is not as large as the number at Gatwick, which I understand is owned by the same company that owns Edinburgh airport. There is a direct connection between the two. What we have to do with both is find a way to balance the needs of the communities around the flight path and the needs of the airport.

It should not be a burden to live near an airport. An airport should be an asset, and communities such as those in my constituency—Cramond, South Queensferry and Ratho—that are constantly disrupted in their night-time routines should not be expected to suffer that without some support, including legislative support if necessary, from the Government. Indeed, those residents brought me some evidence—I am sure it is relevant to Gatwick as well—of how there is a link—

Sir Christopher Chope (in the Chair): Order. The hon. Lady has a deep constituency interest in Edinburgh airport, but this debate is about Gatwick airport. Frankly, I think it is very unfair of her to use examples from her constituency to try to produce a nebulous connection between Edinburgh airport and Gatwick airport. If the hon. Lady wishes to speak about Gatwick airport and the subject matter of this debate, which is growth and noise reduction at Gatwick, she can continue to do so. If not, I will call the next speaker.

Christine Jardine: Apologies. I was simply wishing to illustrate that residents around Gatwick will be suffering from the same sort of inconvenience. The evidence that has been brought to me appears to show a link between the sleep disruption caused by aircraft noise, particularly at night, and conditions such as high blood pressure, stress and coronary problems. Noise between 10 pm and midnight—the evening period, rather than the overnight period—is a particular problem at all airports, but specifically at Gatwick, given the number of flights involved.

Gatwick is an illustration of the problem, and it shows exactly why we need some legislation to control noise. The aircraft and airlines have improved the engines in recent years. Although easyJet is about to buy a fleet of jets that are much quieter than those it has currently, I doubt that one airline alone would be sufficient for residents around Gatwick. They would like to see more control and legislation that insists that more airlines use similar aircraft and includes restrictions on numbers and times. Gatwick is an example that we should take to the rest of the country. We should use it to show us where we should be going in having a balance between our communities and our airports.

4.52 pm

Nick Herbert (Arundel and South Downs) (Con): It is a pleasure to serve under your chairmanship, Sir Christopher, and I congratulate you on your elevation. I welcome the initiative of my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) in calling this debate. As he explained, the background to it is a significant increase in the number of flights to and from Gatwick airport. Since 2013, the number of flights has increased by 12% and the number of passengers has increased by 22%. That has resulted in an increase in noise not just in the immediate vicinity of the airport, but in rural areas, such as the one I represent in Arundel and South Downs, in the approach to the airport for both take-off and arrival.

As my hon. Friend explained, the Government’s policy is that future aviation growth should share benefits between the industry and local communities. Therefore the question is: how is growth that has already taken place and future growth to be shared with the communities that many of us represent? So far as we can see, there has been no such sharing. There is no doubt that the increase in growth has been good for elements of the local economy, for those who are using the airport, including me, and for the country as a whole, but it is difficult to see a benefit for local communities, which calls into question whether the Government’s key objective is being fulfilled.

The Government’s second objective is to limit and where possible reduce noise. The second question is, therefore: to what extent has noise even been limited, let alone reduced? What precisely is their policy to ensure that the objective is met? That policy can be expressed only through the operation of Gatwick airport, and it is
[Nick Herbert]

not at all clear that its noise management board is doing anything other than providing a talking shop where community groups are encouraged to make their representations known. Adjustments can be made to flight paths, approach lanes and so on, but there is no strategy to reduce noise. There are no metrics by which the airport can be held to account for that noise reduction. That is the key point: there is no plan.

The Government have effectively conceded that point, because their response to the concerns raised on our community’s behalf by various community groups and by my hon. Friend the Member for Tonbridge and Malling on behalf of a number of us was to say, “There will be an aviation strategy that will look at how noise can be reduced.” It is wonderful to know that there will be an aviation strategy; it would be good to know when that aviation strategy is coming. My hon. Friend the Minister has been hard at work today—first thing this morning he was doing a debate on a different matter, which I also attended—but it would be good to know when the strategy is coming. Will he say a little more about how that might affect the reduction in noise that the Government are committed to? For all we know, that aviation strategy might be months or years down the line. We do not know what it will say on noise. At the moment, there is meant to be a policy to reduce noise. I return to the key question: why is there not a policy that Gatwick airport, which is making a great deal of money from this expansion in a viation—I am not satisfied with the increase in passenger numbers and flights since 2013 that has been discussed already. The growth in long-haul traffic, as my right hon. Friend makes is terribly important, and that growing market, although good economically, brings with it a greater noise burden for communities such as those in my constituency. Larger and louder aircraft have been flying in to land at low altitudes, such as those in my constituency. That growing market, although good economically, brings with it a greater noise burden for communities such as those in my constituency. Larger and louder aircraft have been flying in to land at low altitudes, some at less than 4,000 feet and as far out as 18 miles from the runway. Those same communities suffer arrivals that are not at all clear that its noise management board is doing anything other than providing a talking shop where community groups are encouraged to make their representations known. Adjustments can be made to flight paths, approach lanes and so on, but there is no strategy to reduce noise. There are no metrics by which the airport can be held to account for that noise reduction. That is the key point: there is no plan.

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Sir Nicholas Soames: I am grateful to my right hon. Friend and to my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat), because they have both made powerful points. I first took part in a debate on aviation noise 34 years ago, when Gatwick was in my constituency. We had to deal with the BAC 111, which made a noise like a screaming banshee. It is true to say that aircraft noise is much mitigated now. The point that my right hon. Friend makes is terribly important, because it requires only a tweak, not major change, and the absolute enforcement of discipline in terms of the pilots.

Nick Herbert: I am grateful to my right hon. Friend. Only he could introduce phrases such as “screaming banshee” into a debate. He draws my attention to another point. Part of the increase in flights from Gatwick has been in long-haul flights, which are a relatively new development and mean much bigger planes. Even if the newer planes are less noisy, residents and groups such as Communities Against Gatwick Noise and Emissions and the Association of Parish Councils Aviation Group—one of its representatives is a constituent—are saying that there has been an increase in noise as a consequence of the new flights. Will the Minister tell us more about the aviation strategy and when that is coming? Specifically, why is there not a plan ahead of that strategy that Gatwick is required to adhere to, setting out metrics for how the increase in passengers and flights over the last few years will be mitigated through noise reduction and how future growth will ensure a reduction in noise? It is no good just saying that there will be a strategy in the future; our communities want action now.

Gillian Keegan (Chichester) (Con): I congratulate my hon. Friend the Member for Tombridge and Malling (Tom Tugendhat) on securing this important debate. In my constituency, it is estimated that 4,000 people are directly affected by aircraft noise from the planes at Gatwick airport. That figure relates to homes within a 20-mile radius of Gatwick, however many people further afield are also adversely affected. Since being elected in June last year, I have met community leaders from groups such as Pulborough Against Gatwick Noise and Emissions and Communities Against Gatwick Noise and Emissions, representing residents in the villages of Ifold, Plaistow and Loxwood, all of whom are heavily impacted by the airport.

As my hon. Friend said, concerns were escalated in 2013 when the airport moved the minimum instrument landing system join point back from seven nautical miles to 10 nautical miles, which led to an increased concentration of arrival traffic over areas in my constituency. Since then, the arrivals review has led to the minimum join moving back to eight nautical miles, which has only partially addressed some of the residents’ concerns.

As we have all said, the benefits of Gatwick should not be overlooked in today’s debate. Gatwick airport adds £5.3 billion to the UK economy, and that figure is set to grow with the increase in passenger numbers and flights since 2013 that has been discussed already. The increase in aircraft using the airport has of course led to a higher usage of flight paths in and out of the area. Route 1, for example, flies over Plaistow and Durfold Wood, and has seen an increase of 6% in one year alone—2015-2016.

Part of Gatwick’s success has been realised through the growth in long-haul traffic, as my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) said. That growing market, although good economically, brings with it a greater noise burden for communities such as those in my constituency. Larger and louder aircraft have been flying in to land at low altitudes, some at less than 4,000 feet and as far out as 18 miles from the runway. Those same communities suffer arrivals too, turning at 3,000 feet above their homes. There is constant traffic in those areas.

The issue is one of balance. We must ensure that we meet the demand for international and regional connectivity, as that does benefit local businesses, travellers, holidaymakers, employees and the local economy. However, noise mitigation must be a priority to protect the communities that surround our airports. I welcome the work of the Gatwick noise management board, which brings together the community and the airport to share ideas and air concerns. I hope that all parties maintain that working relationship and ensure that it is not just a talking shop, but seeks the best outcomes for communities and businesses.

Continued community involvement is key, so I am pleased that the Government have decided to form an independent commission on civil aviation noise, with the aim of ensuring that all aerospace changes are properly considered, with the needs and concerns of local communities heard. The move to a more transparent air-management strategy can only benefit the airport and the people who live nearby. The introduction of options analysis in airspace will further that, allowing
those who will be affected to engage with any changes that airports propose—at least, that is what I understand it will do. I am also pleased that the metrics and appraisal guidance to assess noise impacts are being updated to include a wider radius around the airport, which will better represent the impacts of air traffic on the wider community. I particularly welcome that, having been woken up myself by a plane at 6 am last Saturday, despite living more than 30 miles away.

Tackling the challenge of aircraft noise pollution will be helped by developments in technology. Many advances have been made already, such as better air traffic control, which led to a reduction in stacking over airports. There is also a drive to produce quieter aircraft, as my right hon. Friend. I am optimistic that the market will rise to that challenge, but Gatwick also needs to ensure that it is using the latest in the quietest technology.

Having worked in the travel technology sector for more than 10 years, I am more than aware of the growing demands that the industry faces. There is a need for more capacity, and the UK must maintain its position as a global leader by being accessible internationally, particularly as we leave the European Union. However, the skies over the south-east of England are some of the busiest in the world, and as our airports grow to support our economic growth we must put the communities that live in their shadow at the heart of any changes that we make. We seek the support of the Department for Transport to lessen the burden of excessive airplane noise on those local communities.

5.4 pm

Jeremy Quin (Horsham) (Con): I came to today’s debate very conscious of the noise problems experienced in Sussex, Surrey and Kent, but I am a broad-minded fellow, Sir Christopher, and I also recognise the difficulties faced by constituents in Edinburgh, particularly when there are flights taking off with no doubt to go to Gatwick. I am very grateful to my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) for introducing the debate. For a debate that is focused on noise-deadening, my hon. Friend is clearly today soft of voice, but as ever with his prescription.

I am very conscious that my constituency of Horsham has seen the largest concentration of flight paths since the change to departures originated by Gatwick in 2014. My constituency, notably the village of Copthorne, to the east of Gatwick, is affected, as is a very large swathe of my constituency to the west, which gets no respite, with multiple departure routes and arrivals day and night. I understand the yield management rationale for Gatwick to increase the number of long-haul flights, but as my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) mentioned, that has, in the view of many of our constituents, made a bad noise problem worse. While I am on the subject, I also agree with his comments regarding the noise management board.

There are joint interests right across the swathe of counties affected by Gatwick, but I must emphasise how deeply affected those rural communities that lie close to the airport are. Those communities suffer most from constant noise. Night noise, as has been mentioned, is a major issue. The impacts need to be shared to give communities periods of respite. May I particularly say, at the outset, that it is simply not acceptable for people in communities that have their lives made even more miserable through increases in night-time noise caused by a decrease in the joining point for arrivals—a point on which I respectfully, and most unusually, differ from my hon. Friend the Member for Chichester (Gillian Keegan).

Germane to the issue of noise is the overall increase in pressure on our communities from all aspects of pollution arising from Gatwick’s expansion. An increase in passenger numbers of 8%, with an aspiration to 50 million, has an inevitable impact on local road and rail congestion to constituencies immediately around Gatwick, with air and noise pollution adding to the inevitable difficulties that my constituents face daily on our road networks and on Southern Railway, through extra congestion produced by increased utilisation of the airport. For any hon. Member who doubts the ongoing difficulties on Southern Railway, may I recommend the debate on rail franchising that is currently taking place in the main Chamber—my right hon. Friend the Secretary of State for Transport is speaking at the moment. I daresay that many of us will head there next.

My constituents suffer particularly from congestion and noise pollution, but I recognise that they are far from unique, with the number of air traffic movements growing every year since 2013, by 12% in total. I do not object to Gatwick seeking to maximise the utilisation of its current footprint, but what we have every right to expect and insist upon is that it adheres to the spirit and the letter of the aviation policy framework published in 2013, as set out by my hon. Friend the Member for Tonbridge and Malling. It states that “future growth in aviation should ensure that benefits are shared between the aviation industry and local communities.”

My right hon. Friend the Member for Arundel and South Downs drew the House’s attention to the fact that there has been a significant improvement in Gatwick’s bottom line. I have seen estimates of £350 million to £450 million. Even at the bottom end of that scale, on the basis of earnings before interest, taxes, depreciation, and an amortisation multiple of seven for such a cash-flow generative business, an increase in value of some £2.5 billion would be expected. Those benefits must be shared with the community in the form of aggressive attempts by Gatwick to cut down and mitigate noise pollution. My hon. Friend the Member for Tonbridge and Malling referred to Bo Redeborn and Graham Lake, who are in the Gallery today.

Many hon. Members mentioned the arrivals review. There was also promise of a departures review, which we are yet to see. There is so much more that can be done with Gatwick; it is not unreasonable for our constituents to expect to see it, nor is it unreasonable to expect the Department to be rigorous in ensuring that Gatwick observes the Department’s declared policy. I await with interest the Minister’s concluding remarks.

5.9 pm

Karl Turner (Kingston upon Hull East) (Lab): It is always a pleasure to serve under your chairmanship, Sir Christopher. I congratulate the hon. Member for Tonbridge and Malling (Tom Tugendhat) on securing this important debate.
The aviation sector is one of Britain's success stories and, as the UK's second biggest airport, Gatwick is an important factor in that. Gatwick contributes £5.3 billion to UK GDP, as well as generating 85,000 jobs nationally, with around 24,000 on the wider airport campus alone. However, we all recognise that aviation noise can be a source of constant annoyance to those who live under airport flightpaths, and causes tension between airport authorities, airlines and local communities. As well as the annoyance and disruption, there are genuine public health concerns about exposure to aviation noise. In January 2016, the Aviation Environment Federation published a report stating that, in the UK, more than 1 million people are exposed to aircraft noise above levels recommended for the protection of health.

I am aware that Gatwick is trying its best to address the issue through a series of initiatives. In January 2016, it set up an independent noise management board, which includes community groups, industry experts and other stakeholders. Some of the actions it has taken include incentivising airlines through its charging regime to modify aircraft to reduce aircraft noise and increasing continuous descent operations, for which it is the No. 1 performing airport, with a CDO performance level of about 90%. Extending the boundary of their noise insulation scheme by 15 km to the east and west has also been helpful. There is more that could be done, but it needs to be addressed as an industry, with the support of the Government.

In April 2013, Sustainable Aviation produced a noise road map showing how aviation can manage noise from aircraft operations between now and 2050. Improved technology means that aircraft designs today are 75% quieter than they were 50 years ago. As a result, the population affected by aircraft noise around airports has fallen substantially, despite a significant growth in air traffic. The road map shows that continued investment in research and development has the potential to build on that success and reduce noise from aircraft by a further 65% by 2050.

In order to achieve that, the Government need to be doing more to assist the industry and to encourage further research into new technologies. The UK has the potential to be a world leader in the sector. What are the Government doing to support research into new aircraft and engine technologies?

I would also like to ask the Minister about airspace design. There is scope to further reduce noise output through improvements in the way airports, airlines and air traffic management operate. The aviation sector is already investing in new technology and new airspace design to ensure a lower noise impact. However, it has told me it could do more. Improvements such as steeper approaches require additional changes to airspace and operational controls. What are the Government doing to help bring those changes about?

Finally, will the Minister provide an update on the independent commission on civil aviation noise? The Government's response to the consultation on UK airspace policy stated that they intend to set up the commission by spring 2018. We welcome that decision. However, the commission will not have any enforcement powers or an ombudsman role or any other statutory role, which gives rise to the question as to what it will actually do. Given that the issue of an independent aviation authority or noise ombudsman, as it is sometimes referred to, was put forward by the Airports Commission in 2015, will the Minister give us an idea of when the commission will get the statutory powers that it requires?
employed by the airport. Nationally, the airport supports a further 61,000 jobs and contributes more than £5 billion towards our GDP. As such, it is a key part of our national infrastructure. Its local economic impact and the local economic value of its recent growth are significant drivers of growth and prosperity in the south-east. That means better pay, more jobs, stronger local businesses and growing asset values.

The Government recognise and have made clear that the benefits of airport growth must not come without due consideration and mitigation of the environmental impacts of aviation, in particular those impacts caused by the noise generated by aircraft. As my hon. Friend the Member for Tonbridge and Malling mentioned, the Government’s policy, as set out in the aviation policy framework, is “to limit and where possible reduce the number of people in the UK significantly affected by aircraft noise.” My colleagues have recently brought forward new policies and measures in line with that aim. It has been suggested that nothing has happened, but I understand that that is not true and I want to put some of the measures on the public record. They can then be discussed and debated and used as a framework for further discussion.

As hon. Members are aware, the Government set noise controls at Heathrow, Gatwick and Stansted airports using powers in the Civil Aviation Act 1982. My Department has the power to direct those airports, including Gatwick, to fine for noise infringements. I have no doubt that Gatwick’s management is, or shortly will be, following this debate closely. The responsibility—as matters presently stand, pending a further aviation strategy—lies with Gatwick, as advised, with potential enforcement from the Department.

One of the main controls the Government set is restrictions on operations at night time, because we recognise that noise from aircraft at night is, among many unacceptable aspects of aircraft noise, widely regarded as the least acceptable. In October last year, the Government introduced changes to improve the night flight regime. By introducing a new quota count category for the quietest aircraft, the Government are seeking to improve transparency for communities and to ensure that all aircraft movements will count towards an airport’s movement limit, whereas before such aircraft were exempt.

I reassure hon. Members that the Government have maintained the previous movement limit for night flights at Gatwick, which has been fixed for many years. It will guarantee until 2022 no increase in flights beyond what was already permitted. Furthermore, among other measures, from later this year there will be a reduction in Gatwick’s quota count limit, which should incentivise airlines to purchase quieter aircraft to make use of the airport’s permitted noise and movement allowances.

Separately, last October the Government published our decision on how we aim to support airspace modernisation, which includes new policies to ensure noise is more thoroughly considered in these important decisions. As hon. Members may know, the way our airspace is managed is based on arrangements that are in many cases almost 50 years old. In today’s world, that increasingly is a huge problem. However, it can lead to unnecessary delays for passengers and an excessive impact on the environment around airports. We therefore need to modernise our airspace to enable the UK to keep pace with the rest of the world in exploiting the newest technologies. Advances in technologies have provided great improvements in the environmental performance of aircraft airframe design and engines, in terms of both noise and carbon emissions, and that has had a substantial effect on the noise experienced on the ground. For example, new-generation aircraft such as the Airbus A350 and Boeing 737 MAX have a noise footprint that is typically 50% smaller on departure and 30% smaller on arrival than the aircraft they are replacing.

We expect aircraft noise to continue to fall in the future, compared with today’s levels, and we believe that that trend has the potential to outweigh the noise generated from increases in air traffic. My right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), who is no longer in his place, discussed the screaming banshee of the BAC 111. There is no doubt that, as it and the A320 indicate, tweaks to aircraft design can greatly improve noise performance. As he said, the noise experienced over the past few years may have actually decreased by some measurements. I respectfully suggest to my hon. Friend the Member for Tonbridge and Malling that it may not be correct to measure from just 2013. Possibly the correct measurement for noise is to look at before the recession of 2007-08—the Gordon Brown recession, as I like to refer to it—when noise levels were not quite at the level they are now in terms of the number of people affected, but were certainly significantly higher than in the intervening period.

**Tom Tugendhat:** I am loth to be pedantic with the Minister, but he understands better than anybody, having represented his community in Herefordshire so assiduously for so long, that, although an incremental change downwards is to be welcomed, should an uptick come, it is hard to remember where we were 10 years ago—it is very easy to remember where we were before the uptick.

**Jesse Norman:** I am exceedingly aware of that. It is generally a feature of human consciousness that we ignore the things we benefit from but are extremely angry if things we enjoy are taken away from us. This is an example of that. I would not derogate for a second from what my hon. Friend said.

To say that we believe that the trend has the potential to outweigh the noise generated from increases in air traffic is, of course, not to say that as aircraft get quieter there are not difficult issues that need to be addressed with the implementation of the new technology. One major component of airspace modernisation—some hon. Members touched on this—is performance-based navigation, which allows aircraft to fly their flightpaths far more accurately than they could with previous navigation techniques. That has obvious benefits in terms of noise, because populated areas can be better avoided, but it also poses challenges—I do not need to remind hon. Members that with great power comes great responsibility—particularly in its effect on those directly underneath flight paths that experience a greater concentration of aircraft. That requires proper administration and control, and a sensible and considered approach. That is why the Government have brought about a new requirement for options analysis to be used when developing proposals to change the use of airspace. That will enable communities to take part in a more transparent airspace change.
process, and it ensure that options such as concentrated routes versus multiple routes and the degree of respite that can be offered, which has been discussed today, can be given proper consideration.

The Government recognise through the 2014 “Survey of Noise Attitudes” that attitudes towards aviation noise are changing. That goes to my hon. Friend. Friend’s point. The work carried out during the SONA study shows that sensitivity to aircraft noise has increased. The same percentage of people are registered as “highly annoyed” at lower levels of noise than in a past study. That is what we should see in an increasingly prosperous society. The threshold for interruptions and loss of amenity should go up. That is not a bad thing by any means, although it might be highly distressing for those involved. That is why the Government have introduced new metrics and appraisal guidance to assess the impact of noise on health and quality of life. In particular, it will ensure that for future airspace changes, noise impacts much further away from airports are considered much more than they are at present.

As the hon. Member for Kingston upon Hull East (Karl Turner) mentioned, the Government have also committed to creating an independent commission on civil aviation noise later in the spring. ICCAN, as it is known, is designed to help rebuild some of the communities’ trust in the industry that we recognise has been lost, and will ensure that the noise impacts of airspace changes are properly considered. Communities will be given a greater understanding of and stake in noise management.

Alongside the Government’s work, Gatwick, which in this case is the responsible entity, is seeking to address the concerns of the communities surrounding the airport. I welcome the tone of the constructive remarks in relation to how Gatwick is engaging with those around it. In response to the significant concerns raised in 2014 and 2015 about Gatwick-related aircraft noise, the airport has launched several programmes of community engagement, most notably the noise management board, which is independently chaired and attended by representatives from several local community groups. Its role is to develop, agree, and maintain a co-ordinated strategy for noise management for Gatwick on behalf of stakeholder organisations. My officials are actively involved in that work, and all evidence raised at the NMB is considered in the development of Government policy. It is for Gatwick, as the responsible entity, to take action, it can do so under advisement from the NMB.

Furthermore, and in accordance with its obligations under the environmental noise directive, Gatwick will later this year publish its draft noise action plan for 2019-23, which will provide an opportunity for the public to have their say on what it is doing to mitigate noise. The final approval of the noise action plan falls to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs, but my officials will work closely with the airport and officials at the Department for Environment, Food and Rural Affairs as the plan is developed.

Finally, I want to return to aviation in the national context and the aviation strategy, which has been discussed. It is subject to a process that is already under way. We seek for it to be comprehensive in its scope. It will seek to address many important issues, such as security, connectivity, and skills, and the development of innovation and new technology, which the hon. Member for Kingston upon Hull East raised—I have some experience of our great investment from when I was at the Department for Business, Energy and Industrial Strategy, through the National Aerospace Technology Exploitation programme, and our relationship with some of the big aircraft manufacturers. Hon. Members may be pleased to know that one of its objectives is to consider how we support growth while tackling the environmental impact of aviation. As the Secretary of State said in his recent letter to my hon. Friend the Member for Tonbridge and Malling, one of the issues that the Department wants to consider is whether there should be new framework to allow airports to grow sustainably. That means looking at trends in aviation noise over the long term and how they relate to growth in aircraft movements.

I want to give my hon. Friend a moment to finish, so I will speak for just a second longer. This issue is relevant not just to Gatwick, but to all airports across the UK, and it demands a national approach. We cannot pre-judge the process, but one of its outcomes may be that we will want to clarify our existing aviation policy and how it should be monitored and enforced. My colleagues and I recognise the importance of accountability, and that may well be something that needs to be considered as part of a more developed overall aviation strategy framework.

Nick Herbert: When?

Jesse Norman: As I have described, that work is going to start this year. It is quite substantial, and there will be several levels of consultation. I cannot tell my right hon. Friend when it is going to end. It is the nature of these things that they are open-ended, but it is very much at the forefront of my colleagues’ minds.

The Government recognise that colleagues from across the House and the communities they serve want faster progress, both at Gatwick and at other airports, but we believe that the new aviation strategy is the best vehicle by which to co-ordinate and implement any potential change in a properly informed and considered way. As I said, there will be a series of consultations. I will relay the request of my hon. Friend. Friend the Member for Tonbridge and Malling for a further meeting with my colleague the Aviation Minister, and I am sure she will take it with great seriousness. I thank him for securing this constructive debate, and I thank hon. Members from across the House for their valuable contributions.

5.29 pm

Tom Tugendhat: I welcome my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy, who has arrived in the nick of time. His presence and support is always gratefully received.

I want to reinforce three very brief points. The Minister responsible should take time out of her schedule to meet the community groups and the noise management board. Gatwick Obviously Not! and other groups have done an awful lot to ensure that their requests are not only appropriate and reasonable, but well argued and practical to implement. I also suggest that, as the London airspace management programme phase 2 is developed, it should take into account the full review of airspace
policy that the Government have promised. The policy must not weaken the relationship between growth and noise. Indeed, it should be tightened.

I thank my right hon. Friends the Members for Mid Sussex (Sir Nicholas Soames) and for Arundel and South Downs (Nick Herbert), and my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy. I also thank my hon. Friends the Members for Gordon (Colin Clark), for Chichester (Gillian Keegan) and for Horsham (Jeremy Quin), and the hon. Members for Strangford (Jim Shannon), for Edinburgh West (Christine Jardine), and for Kingston upon Hull East (Karl Turner), for their contributions. I thank the Minister for responding for the Government.

5.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Westminster Hall

Thursday 11 January 2018

[PHILIP DAVIES in the Chair]

Forestry in England

1.30 pm

Neil Parish (Tiverton and Honiton) (Con): I beg to move,

That this House has considered the fifth report of the Environment Food and Rural Affairs Committee, Forestry in England: Seeing the wood for the trees, Session 2016-17, HC 619, and the Government response, HC455.

It is always a pleasure to serve under your chairmanship, Mr Davies. It is good to see my friend from the Select Committee on Environment, Food and Rural Affairs here. I have forgotten her constituency, Sheffield, is it?

Angela Smith (Penistone and Stocksbridge) (Lab): Penistone and Stocksbridge.

Neil Parish: Penistone and Stocksbridge, that is right. It is also good to see my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), who sat on the Select Committee in the last Session and had a lot to do with this report, and who also chairs the all-party parliamentary group on forestry, and other hon. Members. It is also good to see the Minister is still in her place—congratulations.

Forestry and woodland provide multiple environmental, social and economic benefits. The Department for Environment, Food and Rural Affairs estimates that woodland provides at least £1.8 billion in social, environmental and economic benefits each year. Trees are beneficial for carbon capture, reducing flooding and improving air quality, as well as providing timber for commercial production and creating green spaces for people to relax in and enjoy. But it was particularly disappointing to hear the Government say that there is no need for forestry representation when discussing the UK’s exit from the EU. Given the nature of research and development and that forestry research is already underfunded, I ask the Minister to reconsider keeping this funding in place, in particular for disease control. I found the Government’s response to our report, if I may say, disappointing. I hope she will be able to address some of the concerns we all share about forestry.

I very much support the ambitions of the northern forest and I look forward to the Government bringing forward the practical application of creating a great woodland across the north of England. I ask of the Minister that at some stage we will be able to discuss exactly how this will be achieved. We have the national forest, which we will be able to expand, but I am keen to see whether we can find ways of bringing land into tree planting and take the farming community with us as we do it. There will be land very suitable for tree planting.

The land north of Hull is some of the best arable and vegetable growing land in the country. We need to ensure we have this balance.

I am sure the Minister will also consider the type of forest we require. We require tree planting for the environmental, social and community benefits, but what really matters is how we deliver a large forest in the north of England in the future. I want to see a mixture. For instance, take the Blackdown Hills in my constituency: there is a lot of forest, farmland in between, copses and areas where people can stay, walk and enjoy themselves. Woodland is great and woodland is right, but we also need a mixture of landscapes for it to be enjoyed. I always remember driving through the Redwood forest in the United States of America. We drove through the forest for some three days. One of the Americans said to me, “Gee, have you seen to the Redwood forest?” and I said, “Yes, I have, but I’ve almost seen enough of it.” I saw a tremendous amount of trees and they are fantastic, but I think we need a mixture of landscapes to really make it enjoyable for the public.

In our report we asked for a one-stop shop for farmers and landowners to get grants and advice on which trees to plant. So far, the Government have resisted this idea, but I think it will be more and more important to do that, because we have environmental schemes, which we can change as we move to a British agricultural policy that is much more linked to forestry, but we also have to ensure that support can be accessed reasonably easily and that it is encouraging farmers and landowners to plant trees. I have said many times in this House that when I was a young farmer, if I borrowed a lot of money to buy land and said to my bank manager, “Well, now I am going to plant trees,” he would say, “Mr Parish, you should plant something that may bring an income in a little sooner, rather than 50 or 60 years hence.”

I am not asking for a licence to print money for farmers, I am just saying that if we want to encourage farmers to plant trees—I believe that on marginal land and certain types of land they will be quite keen—they need the right support. Why should a farmer—perhaps a seventh generation, or even first generation, sheep farmer, beef farmer or arable farmer—be told, “Right, you must now plant trees”? I do not think any Government will do that, but we can encourage farmers to plant more trees. This northern woodland will be a real challenge, but it could also be very successful. However—I say again—it has to be done in the right way.

I spoke before about the countryside stewardship scheme. We have found in the past few years that there have been fewer schemes in place and fewer trees planted. There is a real opportunity now, because the schemes under the EU common agricultural policy do not allow for enough tree planting, and where they do, we have to work out whether the tree is a tree or a sapling and all sorts of complications. I am sure that is something we can make much better.

I also acknowledge that the EU is part of the problem and that post-Brexit the policy can change. Farmers, I believe, will be interested in planting more trees. We can also plant trees in banks to help with flooding. We can have more forestation, more woodland, greater wildlife and retain soils in the fields and stop communities from being flooded. There are many advantages to changing this. Today, I listened to the Prime Minister set out our 25-year environment plan, for which I have much enthusiasm, but now I want to see the practical application of how we will meet these goals. If we want to change a
financial regulation in banking, we change it and that hopefully fixes the problem, but if we want to plant millions of trees, we have to physically plant those trees, we have to find the land and the policies to do it. I am not saying that we cannot do it, but what matters is how we deliver that in the future.

Timber from the woodlands has many economic benefits. I know that my hon. Friend the Member for Brecon and Radnorshire has done much work on timber, timber use and natural timbers being used in this country. We also need to look at that. Going back to the New Forest—do we want woodlands just for recreation? Do we want them for the carbon capture? Or do we also want them for the wood they will provide in the future? We sometimes think that trees live forever. They do not, and we need to cut them down and then replant, so let us look at the type of trees that we are growing.

Mr Marcus Fysh (Yeovil) (Con): Would it help to improve access to, and the quality of, smaller woodlands if crafts using wood grown within the same woodland were always regarded as ancillary to forestry within the planning guidance?

Neil Parish: Yes, my hon. Friend makes a very good point. It will also be about linking the woodland and the craft to a given area. We could do the same with types of wood and the crafts that come from them as we do with food, farming and types of cheeses. It is an interesting point. Linking it to planning is not necessarily the responsibility of the Minister today, but is something that I am sure the Ministry for Housing, Communities and Local Government could look at.

Coming back to timber, we now have an opportunity to grow a number of types of trees. We also have an opportunity to advise farmers, landowners and those who want to plant trees on the varieties and species to plant. It is very difficult, and nobody can be blamed for this, but who would have known that we would be facing Chalara and ash dieback? We were not facing it a few years ago. In the south-west and in parts of Scotland, the larch has virtually all had to be cut down because of disease. As we move forward, it is going to be so important that we have the right types of trees so that it is right for recreation, the right scale, organisation and landscape of planting, and that we plant the trees that, hopefully, will be there for generations. That, in itself, will be a big challenge.

Antoinette Sandbach (Eddisbury) (Con): I invite my hon. Friend to come up to my constituency where Delamere forest nurseries, which are part of the Forestry Commission, grow many different types of trees and look in particular at future climate change impacts and what species will be best to plant.

Neil Parish: If I can get the Whips to allow us to get as far as Vauxhall bridge before calling us back for a vote, I will definitely try to get up to my hon. Friend’s constituency. She is absolutely right. Naturally, we are looking for ash trees that will have a resistance to the dieback. Where I farm in Somerset we had elm trees completely destroyed by Dutch elm disease in the ‘70s and ‘80s, and we are yet to find an elm tree that is resistant to the beetle and to Dutch elm disease. Those sorts of things are so important so that we have our native trees as well as new trees that can be brought in.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend agree that as we seek to select the correct species mix in certain areas it is important to take account of local knowledge? In my constituency, the Friends of Leckhampton Hill and Charlton Kings Common has a huge number of volunteers who help to maintain local woodland and up on the Cotswold escarpment. Their views should be taken into account; does he agree?

Neil Parish: I very much agree with my hon. Friend about local knowledge, because sometimes a local tree, or the strain of a tree in a given area, is the one that we need to plant. That is so important. I always say that it is good to have 25 letters after your name, but sometimes those who have real local knowledge, know exactly what they are doing over the years and have had experience also need to be listened to. I would endorse that entirely.

With the renewable heat incentive, biomass boilers are a means by which we can grow some woodland—some hardwoods and others. We can also thin woodlands out to manage them in a better way. I have to admit that I spent 10 years in a terrible place called the European Parliament—I know that there will be a lot of hissing and boooing at that point—but I did actually see a much better management of woodland in parts of southern Germany, in Austria and in other countries. They were actually using their woodland and the wood resource much better. We see woodlands for sale in many parts of this country, and people buy it as an investment and enjoy having a bit of it, but they never really do much to it. Woodland can be a greater resource for not only biodiversity and wildlife but timber, and that is where we can do more.

On ancient woodland, I better not mention the Parliamentary Private Secretary, my hon. Friend the Member for Taunton Deane (Rebecca Pow), who likes to chain herself to every ancient tree that she finds, and quite rightly so, because she is very concerned about ancient woodland being cut down. We do need to consider that. Again, we have heard from the Prime Minister that trees need to be protected, and we are keen to see that happen.

Finally, when the Minister sums up, will she tell us exactly how she sees the way forward towards having DEFRA, Natural England and the Environment Agency completely joined up in delivering more trees, more woodland planting and a better grant system that is more accessible, easier and more attractive to those who want to plant trees in the future, so that we fulfil our aspirations to plant more trees? Can we also encourage organisations such as the Woodland Trust and others, which are doing so much good work, with even more help? I am a great believer that planting more trees is good for recreation, good for the environment, good for carbon capture and good for wood production.

1.47 pm

Angela Smith (Penistone and Stocksbridge) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. It is a pleasure to follow the hon. Member for Tiverton and Honiton (Neil Parish), who chairs the Environment, Food and Rural Affairs Committee in a very skilled, constructive and inclusive manner.
I start by declaring an interest. I am a member of the Woodland Trust and the Yorkshire Wildlife Trust, which is key to fighting climate change and tree pests and more than that, it is a priceless commodity, that we should all cherish. It frustrates me enormously that the idea that we can destroy ancient woodland and replace it by planting elsewhere is still current in many circles, particularly in the planning system and the attitudes of some developers—not necessarily housing developers, but developers across the piece. I refer, of course, to the application in my constituency to build a motorway services station that would involve significant destruction of Smithy wood, which is ancient woodland. Local people feel strongly about it and do not accept that the destruction of ancient woodland is a price worth paying for the jobs that the service station would deliver.

One crucial recommendation of the report was that the Government maintain an up-to-date public register of ancient and veteran woodland. Such a register would provide a focus for scientific research and aid sustainable development and planning. It could form the cornerstone of woodland conservation policy—that is how important ancient woodland is to our tree heritage. The Government’s lacklustre response to that recommendation was to assess the feasibility of the idea. Since the report, the Woodland Trust has generously offered to support the register through funding, data management, staff resources and volunteers. It would be good to hear from the Minister how the Government plan to assess the feasibility of the recommendation, giving particular thought to the kind and constructive proposals made by the Woodland Trust?

Finally, on woodland cover, it was heartening to see the Government pledge £5.7 million at the weekend to help start the creation of the northern forest. I pay tribute to the Woodland Trust for its imaginative thinking, and I support wholeheartedly its efforts to raise the rest of the moneys required to deliver the project. Although I cannot commit personally to finding the rest of the £25 million, I will do all that I can to support the trust in that respect. It is important that the trees are planted in the right places and that we think through the project properly. I am sure the trust will do so.

There is a danger that the northern forest concept will overshadow and obscure the fact that the Government are currently failing badly on their targets for planting more trees generally, which are themselves limited in ambition. In our inquiry, the Select Committee recommended that the Government set targets for planting and the delivery of its objectives. I note the commitment to a national tree champion, and it would be good to hear from the Minister—I, too, am pleased that she is still in her place—the detail of what exactly this national tree champion will deliver.

To return to the report, I will speak in turn about three important areas of policy. I hope the Minister will take my comments in the spirit intended and consider them carefully in her response. First, on funding, it became clear during our inquiry that the current system of grants and subsidies is not working, as the hon. Member for Tiverton and Honiton said earlier—I nearly called him my hon. Friend. The countryside stewardship scheme was singled out for its tortuous system of administration. As he pointed out, our witnesses almost universally favoured a return to a one-stop shop system for grants. That would not only deliver a seamless and accessible approach to securing grants, but give more of a balance between forestry and agriculture, knitting the two together in terms of how landowners and farmers can deliver our objectives as a country.

The Secretary of State has told us that such a system cannot be implemented until we leave the European Union. However, we recommended that the Government take steps now so that they can reinstate such a system post-Brexit on day one, whenever that is. We have yet to see any evidence that any steps have been taken, although in his letter dated 24 November to the Chair of the Select Committee, the Secretary of State said that he is “keen to interrogate” the concept of a one-stop shop further, and to “consider how such an approach could operate in future.”

I ask the Minister directly: can we expect the details of the review of countryside stewardship and the fruits of the Secretary of State’s thoughts on a one-stop shop to be published any time soon? Can we expect clarity, or perhaps even a Green Paper, on how all of it might work if the Secretary of State accepts that the concept represents the right way forward?

Ancient woodland is our most wildlife-rich land habitat. It is key to fighting climate change and tree pests and diseases. More than that, it is a priceless commodity
of State himself admitted that that is limited in ambition at the recent Woodland Trust reception—I think he referred to it as “pathetic”. If it is pathetic and limited in ambition, a target of 11 million trees by 2020 should be achievable. What will the Government do to achieve it, as well as helping the Woodland Trust deliver its northern forest?

Finally, I refer briefly to the comments made by the Chair of the Select Committee about the need for mixed planting and the role of forestry in our economy and agricultural system, in terms of recognising its economic value more clearly. That was at the heart of the report. I completely acknowledge his points and agree with his comments. They were important points about the industrial role that timber can play in our economy and the need for the Government to properly support our foresters and the role of forestry in the economy. The grant system is at the heart of all that, and it must work properly if we are to improve forestry’s role in our economy and make it more robust. I look forward to the Minister’s points, particularly on that.

Several hon. Members rose—

Philip Davies (in the Chair): Order. Before I call the next speaker, there are four people seeking to catch my eye, and I intend to call the Front-Bench speakers at 2.30 pm. I will not impose a time limit, but if people can be mindful and keep to about eight minutes each, it will give everybody a fair crack of the whip.

1.58 pm

Antoinette Sandbach (Eddisbury) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. Before I begin, I point Members to my entry in the Register of Members’ Financial Interests. I am grateful to my hon. Friend the Member for Tiverton and Honiton (Neil Parish) for securing this debate and for his work and that of the hon. Member for Penistone and Stocksbridge (Angela Smith) on the Committee during the writing of the report. I know that my hon. Friend has taken a long-term interest in such matters across his career, both in the House and beforehand. That kind of long-termism is what I would like to talk about.

One thing that comes across time and again in the Select Committee report is that the sector needs long-term decisions taken very far in advance, purely and simply because it takes 40 years or more to grow a tree. When one considers that length of time, one sees the disincentives for landowners to plant, because they do not get a return on what they plant for 40 years. That is the main issue that the Minister faces in encouraging landowners to plant. I am pleased to see the Minister back in her place, because continuity helps long-term thinking, as is evident in the 25-year environment plan that was launched today.

I have briefly spoken about Delamere Forest already, which is in my constituency. It has 750,000 visitors a year and is described as the “green lungs” of the north—that is, until the new northern woodland, an initiative that I am delighted about, gets built. The forest contains several sites of special scientific interest. Its nursery grows a wide variety of trees that help research into the resilience of forests, particularly to the threat of climate change, and provides for all the Forestry Commission planting across England. It is a huge asset to my constituency and to the country. I invite the Minister to come to visit the forest and see the fantastic work that takes place there.

When it comes to enhancing the forests, I welcome the Government’s ambitious targets for the medium and long term. Planting 11 million trees by the end of this Parliament will be a step forward in the stewardship of our natural heritage. Likewise, the longer term aspiration of increasing woodland cover from 10% to 12% by 2060 is rightly ambitious, but I ask the Minister to commit to that as a target, not as an aspiration—perhaps she will deal with that in her response. Like the hon. Member for Penistone and Stocksbridge, I am concerned that we will not meet that goal.

The Government need to encourage the private sector to step up and plant more, which means giving long-term assistance to landowners. In the 25-year environment plan, I am pleased to see ideas of measuring the extent to which carbon can be locked up in our trees and of encouraging the building industry to use UK-grown timber. Hopefully, they would mean that wood would not be burnt for biomass, carbon would be locked up and recycled wood would be used to renovate buildings. It would be a future win if the Ministry of Housing, Communities and Local Government were to look at using better, British timber in building, which would create a good market for UK-grown produce.

In the 25-year environment plan, I am also pleased to see that the Government are looking at a forest carbon guarantee scheme. I am keen to hear more about that from the Minister. If the kind of woodland management that my hon. Friend the Member for Tiverton and Honiton described is to happen, we will need an annual payment to cover its costs. The reality is that thinning out trees or dealing with trees that are blown over by massive storms hitting the UK is expensive—there is often a net cost to the landowner—and does not provide a return.

If we are serious about forestry planting in this country at the required scale, I encourage the Minister to look at an easy-to-access grant scheme. The Government are asking landowners to plant in situations where they could, for example, rent out that land to other farmers for arable farming or stock grazing. Farmers will need some sort of incentive to encourage them to plant trees there.

I want a diverse landscape in the UK. I want our native species to be planted, but I also want commercial species such as Sitka spruce and Douglas fir to be planted as resources that can be used for highly efficient buildings. There are very good building designs in Scandinavia and elsewhere that use wood, are highly energy efficient and are quick to build because they can be pre-fabricated. That is failing in the UK at the moment because the banks are failing to recognise the long-term durability of houses built using wood. If the Minister works with colleagues in the Ministry of Housing, Communities and Local Government to get some sort of certification scheme going, we can have a virtuous circle in the UK that works to the benefit of our constituents and the environment.

We import 80% of our timber—a shocking statistic. I encourage the Minister to take forward some of the ideas that have been published today in the 25-year environment plan and to work across Departments to
see how we can encourage that virtuous circle of planting that will bring all the benefits that my hon. Friend the Member for Tiverton and Honiton spoke of. In the meantime, I extend my invitation to visit the wonderful forest of Delamere to all hon. Members present.

2.6 pm

Sandy Martin (Ipswich) (Lab): It is a pleasure to follow the hon. Member for Eddisbury (Antoinette Sandbach).

One of the few areas of the economy where we can be fairly sure that Brexit will lead to an increase in activity is tourism. The fall in the pound relative to other currencies has already led to a boost in our tourism from domestic and foreign visitors. The nature of our countryside is crucial for the future economic health of our country.

Woodland makes a vital contribution to the feel of that countryside. It is not easy to quantify, but if I were to ask anyone who knew anything about England to paint a picture of the English countryside, I would take a fairly safe bet that it would have at least some trees in it.

I do not underestimate the importance of trees as commercial timber. I would support any measures that would increase our ability to meet our timber needs from trees grown in this country, but we need to bear in mind that the tourism value of woodlands—especially ancient woodlands—is usually much greater than their timber value.

We need a woodlands policy that maximises the tourism value of our woodlands while also meeting our timber needs. Some of the classrooms that I was taught in as a small boy were built in wood back in the 13th century, so it is certainly a very durable material.

Neil Parish: You weren’t there then!

Sandy Martin: I was not there when they were built, no.

To maximise that tourism value, we need woodlands that are large and established enough to boost biodiversity. Small copse and individual trees have great value, but we need some larger forests in this country, although I do not wish to replicate the American redwood forests that are large and established enough to boost biodiversity. Small copses and individual trees have great value, but we need some larger forests in this country, although I do not wish to replicate the American redwood forests that are large and established enough to boost biodiversity.

Neil Parish: We will test him later.

Chris Davies (Brecon and Radnorshire) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I thank my hon. Friend the Member for Tiverton and Honiton (Neil Parish) for securing this debate and for chairing the Environment, Food and Rural Affairs Committee so eloquently and constructively. It was a pleasure to serve under his chairmanship for the first two years of my parliamentary career in Westminster. I also welcome the Minister back to her place. It is a pleasure to see her and I look forward to working with her open-door policy over the next few years before she goes on to even greater things.

I have a declaration to make. The forestry and wood-processing sector is well represented in my constituency of Brecon and Radnorshire: we have three sawmills, including the largest single-site sawmill in Wales—BSW’s at Newbridge-on-Wye—which employs 148 staff. Over the past decade, BSW has invested more than £6 million in the site, which produces more than 150,000 cubic metres of saw and timber each year for the construction industry and for the fencing and landscaping markets.

Given that I represent a large rural constituency in which forestry and timber support so many jobs and families, hon. Members will not be surprised to hear that I have served as chair of the all-party group on forestry since 2015, when I was elected. Not many of its members are present today, but it is always well supported and it represents all sectors of this country. Unusually, Scotland is exceptionally well represented. Sadly, not many Scottish Members are in the Chamber—I am sure they have all rushed off to their trees in Scotland because they miss them when they are down in London—but the Scottish Government are leading on tree-planting and forestry. England, Wales and Northern Ireland could do with learning from Scotland. This is probably the one and only time I will ever say that, but I do give Scotland credit.

I am proud to have served for the past two years on the Environment, Food and Rural Affairs Committee and to have contributed, along with three other hon. Members present—my hon. Friend the Member for Taunton Deane (Rebecca Pow), the hon. Member for Penistone and Stocksbridge (Angela Smith) and our Chair, my hon. Friend the Member for Tiverton and Honiton—to its important and constructive report. I am sure you have read it from cover to cover, Mr Davies, so I will not dwell on it for too long.

Neil Parish: We will test him later.

Chris Davies: Absolutely. Despite its title, our Committee’s inquiry looked beyond England, and a number of our recommendations are relevant to the forestry and timber-processing industries throughout the UK, which employ nearly 80,000 workers and contribute £2 billion to our economy each year. Forestry businesses operate across geographical boundaries—Forest Sawmills in my constituency has operations in Worcestershire and in south-west Scotland. This diversity is reflected in the make-up of our all-party group, in which the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) sits alongside the hon. Member for Stroud (Dr Drew) and my hon. Friend the Member for Berwick-upon-Tweed (Mrs Trevelyan). Forestry crosses not only constituency and county borders, but party lines. Long may that continue.

This is the second Westminster Hall debate on forestry since I was elected in 2015. In December 2016, while the Environment, Food and Rural Affairs Committee was considering forestry in England, I secured a debate on tree planting in the UK. Much has happened since, but sadly not all of it has been positive. Our report noted in March 2017 that the UK was the third-largest importer of timber in the world, behind only Japan and China. Since then, unfortunately, the UK has overtaken Japan
to become the second largest importer of timber—at a time when the World Wide Fund for Nature warns that global demand for wood will triple by 2050. That, perhaps more than anything, demonstrates clearly why it is so important for Parliament to make its voice heard and send a strong signal to the Government that the UK must plant more trees now to ensure a secure and growing supply of domestically sourced timber in the future.

I have referred to the considerable investment in timber processing in my constituency. I am pleased to say that rising demand for timber products, which is good not only for our environment but for our economy, means that similar investments have taken place up and down the country. However, investment in processing capacity by companies such as Norbord, Egger, and James Jones and Sons is entirely linked to the availability of the raw material they require—timber. The industry body Confor—the Confederation of Forest Industries—predicts that, unless tree-planting rates are greatly increased, the UK faces a timber gap in the next 20 years. We can plug that gap by taking action now, but there really is no time to lose.

Our report referred to:

“Getting the most out of forests and woodland”

and highlighted the need for a “long-term strategy for forestry”. It is self-evident to those of us with even a passing knowledge of forestry and timber processing that, as hon. Members have said, any strategy for the sector needs to be long term. It takes at least 30 years for a sustainably grown spruce tree to be ready for harvest. To put that in perspective, the trees being harvested now were planted when Ronald Reagan was President of the USA, the USSR was still in existence and, perhaps most surprisingly of all, the now untouchable Manchester City were in the second division of the Football League. Changed days indeed, Mr Davies.

Our report recommended that

“the dual benefits of agriculture and forestry should be recognised by having a single grant scheme to support both sectors.”

It also urged

“those in the forestry sector to approach the Parliamentary Under-Secretary of State for the Environment and Rural Life Opportunities as early as possible with any concerns, opportunities and thoughts they have on the forestry sector when the UK leaves the European Union.”

I am pleased to say that the forestry sector, under the umbrella of Confor, has done just that—it has had very positive talks with the Minister. I began my speech by welcoming her back to her place. One thing I can say is that her door is always open, both to Members of Parliament and to the industry. She is always prepared to have discussions, and I thank her for that.

The industry has published an excellent discussion paper with proposals for how a common countryside policy can support forestry and woodlands in the UK when this country leaves the EU, which it will. It has also made great efforts to engage with environmental non-governmental organisations, farmers and landowners to find common ground on how best to support the Government’s aspirations for a green Brexit and how to replace the common agricultural policy. In October, Confor published a joint statement with the Woodland Trust and the Country Land and Business Association, setting out guiding principles for the Government to follow to support our forests and woodlands in the years ahead. I urge the Minister to consider those principles.

Many people with an interest in forestry have an understandable fear that it is the forgotten F-word, constantly competing for attention with food, farming and fisheries. It does not get the attention that such a successful industry, which provides good-quality jobs in rural areas such as Brecon and Radnorshire, fully deserves. Next time hon. Members speak about our countryside and its great rural businesses, I urge them not just to praise farming and fisheries—although they do need praising, believe me—but to make a point of saying “farming, fisheries and forestry” instead. It is not often that using the F-word improves a sentence, but that was a good example. I am pleased to commend our report and thank our Chair for introducing it.

2.17 pm

Theresa Villiers (Chipping Barnet) (Con): I welcome the opportunity to follow my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). It is also a pleasure to serve under your chairmanship, Mr Davies.

I congratulate the Chair of the Environment, Food and Rural Affairs Committee, my hon. Friend the Member for Tiverton and Honiton (Neil Parish), on introducing this debate on the Committee’s welcome and thoughtful report on a significant issue. It gives us an opportunity to highlight the significant importance of forests and woodlands not only to our environment, but to our quality of life, as hon. Members have pointed out. I was pleased to see that sentiment reflected in the report, in the Government’s response and in the evidence given to the Committee by witnesses.

My suburban constituency of Chipping Barnet illustrates that the debate is not just of interest or relevance to rural areas. There are a number of woodland areas in Barnet: we have woodland around Monken Hadley common that dates back hundreds of years—it may have been continuously wooded since the end of the last ice age. Coppets wood, at the other end of the constituency, used to be part of Finchley common, the haunt of highwaymen in the 17th and 18th centuries. It underwent a spell as a sewage works, but was subsequently revived and renewed and is now a welcome public space. Whittings wood between Arkley and Underhill brings us right up to date, because it was planted in 1996 and is now ably managed under the stewardship of the Woodland Trust.

A key goal for me as a Member of Parliament is the conservation of our natural environment. I warmly welcome the work that the Committee has put into the report, the strong commitment on the environment that the Prime Minister made today and the 25-year plan that has been published.

Like others in this debate, I want to focus on ancient woodlands. I welcome chapter 6 of the report, which covers that area. It also strongly support the Conservative manifesto commitment to strengthen protection for ancient woodlands in the planning system. I recently had the pleasure of joining the all-party parliamentary group on ancient woodland and veteran trees, and I was alarmed to learn at the first meeting I attended that as many as 500 ancient woodlands across the country may be under threat. I appreciate that in certain circumstances some loss of this valued habitat is unavoidable—for
example, in relation to crucial major infrastructure projects of national significance—but I am alarmed that according to research by the Woodland Trust, current threats to ancient woodland include projects for caravan sites, leisure activities, waste disposal and, as we heard from the hon. Member for Penistone and Stocksbridge (Angela Smith), a motorway service station. It is hard to see how that kind of land use can possibly justify the destruction of irreplaceable ancient woodland.

Our planning system should provide that building over ancient woodland should be permitted only in wholly exceptional circumstances. I support the Committee’s call for more extensive and systematic measurement and recording of ancient woodlands so that we have a better understanding of what we have and how much of it is under threat. I hope the Minister will respond to those important recommendations.

A key goal for all of us who recognise the benefits of woods and forests is not just protecting what we have, but planting more trees. I therefore urge the Minister to ensure that the Government deliver on their commitment to plant 11 million trees during this Parliament, plus a further million in our towns and cities. I note the scepticism we have heard from some this afternoon and from some witnesses in the Committee’s inquiry on the likelihood of the Government being able to deliver the long-term goal of 12% forestation by 2060. DEFRA’s response to the Committee rightly indicates that the private sector will be crucial in delivering on that very long-term goal. I agree that it is important for the private sector to do more.

With that in mind, I hope the Minister will consider putting a renewed focus in the Government’s clean growth strategy on planting trees as carbon stores. My understanding is that companies can include trees planted abroad in their carbon accounts, but cannot claim a similar credit for trees planted in the United Kingdom. I hope the Government will consider changing that. In other crucial decisions they will be making over the next few months, such as the replacement for the common agricultural policy, I hope that the Minister and Secretary of State will take into account the importance of woodlands and hedgerows. I appeal to the Minister to ensure that trees, hedges and small woods are better integrated into our new system of agricultural support.

In his speech to the Oxford farming conference recently, the Secretary of State said that he wanted sustainability and environmental goals to be at the heart of the UK’s new system of farm support after we leave the EU. I urge the Minister to ensure that that includes rewarding farmers for taking care of trees on their land and supporting them to add new trees, hedges and shelterbelts. It is important to bear in mind what has been said this afternoon and what is in the report about the importance of ensuring that the system for administering and applying for support payments is vastly simpler, more straightforward and more logical that the CAP it will replace.

In conclusion, as the evidence to the EFRA Committee showed, woods and forests provide a whole range of benefits to everyone in our society, including tackling climate change, reducing floods and improving air quality. As we have heard eloquently from a number of speakers, there also include significant economic benefits. As places of beauty and tranquillity, woods and forests can deliver significant and valuable public health advantages by providing opportunities for recreation, physical and mental relaxation and an escape from the pressures of life in modern Britain. Projects such as the northern forest illustrate the value we place on our woodlands, because it has captured the public’s imagination.

In preparing my remarks today, I was reflecting on the track record of my predecessor as Member of Parliament for Chipping Barnet, a wonderful man by the name of Sir Sydney Chapman. He was famed for his project, “Plant a tree in ’73”. It was one of the first large-scale environmental movements. It was followed by the less well-known, but equally well-named, “Plant some more in ’74”. While Sydney is sadly no longer with us, the trees that he was responsible for planting will leave a green and leafy living legacy for decades and perhaps even centuries to come. In future years, I hope this Government will be remembered for many positive things, but also for the trees and woodlands we planted as part of our commitment to be the first to leave the environment in a better state than we found it. We have the opportunity to do that. I urge the Minister and her colleagues to ensure that that happens.

2.26 pm

John Mc Nally (Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate the hon. Member for Tiverton and Honiton (Neil Parish) on securing this interesting, topical and timely debate. I wish a belated happy new year to all. It is good to see members of the Woodland Trust present. I will try to be brief and get to the end of this speech without losing my voice.

Many enlightening points have been made during the debate. The hon. Member for Penistone and Stocksbridge (Angela Smith) made good points on how to merge forestry and farming. She also talked about ancient woodlands. I am eternally grateful to the hon. Member for Taunton Deane (Rebecca Pow) for her ambition on preserving ancient woodlands. She provided me with a huge insight into the problems that exist. The hon. Member for Eddisbury (Antoinette Sandbach) talked about addressing short-termism. We have been practising short-termism for far too long. It needs to stop but there seems to be no end in sight. Things are taken week to week, month to month and year to year, and that has to change. The aspiration that she mentioned needs to become a certainty in policy.

The hon. Member for Ipswich (Sandy Martin) mentioned tourism, a special interest of mine, which I will speak about later. I am extremely grateful to the hon. Member for Brecon and Radnorshire (Chris Davies) for his words recognising the work that the Scottish Government are undertaking. The right hon. Member for Chipping Barnet (Theresa Villiers) well expressed her local knowledge and interest in the history of her area. She also talked about the conservation of ancient woodlands and the threats to them. All those things are very commendable, and I agree entirely with many of the things that have been said. There is cross-party agreement on many of these issues. Trees, birds, wildlife and the whole habitat depend on the whole transnational situation.

I would like to bring to the Chamber’s attention how the matters we are debating today affect Scotland and their potential impact on Scottish interests. I hope that Members will bear with me—I recognise this is essentially a debate on English issues—if I get a wee bit parochial. The Scottish forestry sector supports more
July 2016, said: director of the Fraser of Allander Institute, giving money for some 16% of its dwindling budget. made available for it has halved in recent years, and the Affairs Committee heard during its inquiry, the money diseases. However, as the Environment, Food and Rural climate change and the spread of exotic tree pests and worth £252 million from 2014 to 2020. Forestry research development. The current round of that scheme is coming from the European agricultural fund for rural 55% of the Scottish Government’s forestry grant scheme lifeline for forestry in Scotland and elsewhere, with know, Mr Davies, European funding has been a vital in Westminster by the UK Government. As you will for both forestry and agriculture has been retained here as we withdraw from the EU, the allocation of funding to the devolved Administrations. Since we have recently seen the appointment of a Secretary of State who is a great believer in communities being their own architects of choice, could the Minister provide an update on his plans for funding post-2020? Such an announcement—it may have been made and I have missed it—would do much to alleviate fears in this sector, such as those expressed by the UK forestry sector representative body Confor, which predicted in 2016 that uncertainty over future grant funding availability will discourage investment in large planting schemes.

The Scottish forestry sector is valued by the Scottish people and Government, and is of strategic importance beyond being a source of timber. The Scottish Government recognise the importance of forestry in mitigating and adapting to the effects of climate change, restoring environmental health and improving human health. It is a vital and expanding part of Scotland’s industrial chain. Considerable private investment has been made in both forest management and processing timber. Investors need reassurance that Scotland is open for business, and clarity regarding future trade arrangements and tariffs. I will end by again asking the Minister for clarity about future funding and trade arrangements, and echoing the call made by the hon. Member for Tiverton and Honiton for deeds, not just words.

Our woodlands are to be treasured, but forestry is a sector vulnerable to uncertainty. Trees occupy land for a long time, and leave it in a condition that is expensive to restore to its original state. No sane land manager is likely to consider planting them unless they are certain that they will benefit. In addition, key parts of the sector’s supply chain, such as commercial forest nurseries, find it difficult to cope with surges and crashes in demand. It is therefore vital that the Governments in Scotland and the UK do all they can to provide the sector with a long-term view of the incentives and support mechanisms in the markets that will be available for forestry once we leave the EU.

That brings me to the crux of the matter. The forestry Bill passing through the Scottish Parliament includes the formal devolution of competences over forestry but, as we withdraw from the EU, the allocation of funding for both forestry and agriculture has been retained here in Westminster by the UK Government. As you will know, Mr Davies, European funding has been a vital lifeline for forestry in Scotland and elsewhere, with 55% of the Scottish Government’s forestry grant scheme coming from the European agricultural fund for rural development. The current round of that scheme is worth £252 million from 2014 to 2020. Forestry research is vital as we adapt to and try to mitigate the effects of climate change and the spread of exotic tree pests and diseases. However, as the Environment, Food and Rural Affairs Committee heard during its inquiry, the money made available for it has halved in recent years, and the Forestry Commission’s research agency relies on European money for some 16% of its dwindling budget. I have a significant question for the Minister, to which I hope she will respond. Professor Graeme Roy, director of the Fraser of Allander Institute, giving evidence to the Scottish Parliament two years ago in July 2016, said:

“Scotland has about 8 per cent of the UK population, but about 18 per cent of UK CAP payments come to Scotland. How will that funding reach the Scottish budget? It will not come through tax revenues. If comes through Barnett, you will get 8 per cent of the equivalent spending in England and Wales, which is certainly not 18 per cent. What is the mechanism by which those additional revenues will flow into the Scottish budget?”–[Scottish Parliament Official Report, 28 July 2016: c. 17.]

I reiterate that question, and ask the Minister how she intends to bridge the financial chasm identified by Professor Roy that is opening up between Scotland’s present share of the UK’s common agricultural policy payments and what we can expect to receive via the Barnett formula.

At present, we have guarantees from the Department for Environment, Food and Rural Affairs underwriting the EU funding allocated up until the UK leaves the EU in 2020, but again that represents a cliff edge beyond which nothing is certain. We have no clarity as of yet about what support for agriculture or forestry will look like in a post-Brexit UK, nor do we know how money will be allocated to the devolved Administrations. Since we have recently seen the appointment of a Secretary of State who is a great believer in communities being their own architects of choice, could the Minister provide an update on his plans for funding post-2020? Such an announcement—it may have been made and I have missed it—would do much to alleviate fears in this sector, such as those expressed by the UK forestry sector representative body Confor, which predicted in 2016 that uncertainty over future grant funding availability will discourage investment in large planting schemes.

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2.34 pm

Dr David Drew (Stroud) (Lab/Co-op): It is a delight to serve under your chairmanship again, Mr Davies. I thank the Chair of the Environment, Food and Rural Affairs Committee, the hon. Member for Tiverton and Honiton (Neil Parish), for introducing the debate. If nothing else, it gets Lord David Clark off my back. When I was on the Committee he spent a lot of time asking why we never debated forestry. I had to explain to him that I was a limited voice on a much bigger piece of work by the Committee. Government Members certainly not 18 per cent. What is the mechanism by which those additional revenues will flow into the Scottish budget?—[Scottish Parliament Official Report, 28 July 2016: c. 17.]

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This is an important milestone and an important piece of work by the Committee. Government Members can be critical of the Government, and I will also make...
some points in that respect, but today’s debate is largely consensual, because we all love trees and want more trees. The only question is how we get them. Sadly, we do not always simply get more trees—some are cut down, which causes all sorts of problems. I have a great many friends in Stroud who seem to spend a lot of their time sitting in trees that they do not want cut down, but that is Stroud, and they are the people I represent. I therefore have an interest in how trees have grown and been saved, and sometimes not been saved.

Today’s debate is marked by the interests of a number of bodies. I will declare my own interests: I am a member of both the National Trust, which has a great many trees in Stroud, and the Gloucestershire Wildlife Trust, which also has trees. I am indebted to the Woodland Trust, which also has trees in Stroud, and Confor, which does a marvellous job in making sure that the all-party parliamentary group on forestry—it is good to see the group’s chair, the hon. Member for Brecon and Radnorshire (Chris Davies), here—functions very efficiently and effectively. I dare say, That is why we are discussing trees today.

I owe much of my knowledge of forestry to a dear late friend, John Workman, who, by any stretch of the imagination, would be described as a forester. He was such a good advocate of forestry that he bequeathed all his woodlands—he was a single gentleman—to the National Trust. The Elsworth Estate—I do not know whether hon. Members know Stroud—is a wonderful centre. The woodlands around are crucial to the way in which Stroud, as a constituency, lives, breathes and functions. His dream was always that there would be a forest centre. The woodlands around are crucial to the way in which Stroud, as a constituency, lives, breathes and functions. His dream was always that there would be a ring of trees all the way around the centre of Stroud, so that people could walk round without ever leaving the woodland. That has not quite come to pass, but there are certain private woodland owners who have not yet agreed to full access. I say to the Minister that it would be interesting to see how the new structure of farm payments will encourage woodland owners, with sensibility, to make sure that there is proper access, so that people can walk round and get the benefits of that.

Antoinette Sandbach: I am always interested in calls for access, because one of the big problems is the spread of disease. Phytophthora ramorum spores can very easily be spread on people’s boots, so if someone walks in a forestry that has phytophthora in it—most of the Forestry Commission wood in Wales does—other woodland could be infected. Will the hon. Gentleman comment on how he would deal with the question of access versus disease?

Dr Drew: When speaking of access, I used the word “sensibility”. People cannot be allowed to walk wherever they want—that has to be recognised—but there is a lot of evidence that the right to roam, within reason, has been less destructive than some people would allege, and I think that we can move forward on that.

We have had very good contributions from my hon. Friends the Members for Penistone and Stocksbridge (Angela Smith) and for Ipswich (Sandy Martin), from the right hon. Member for Chipping Barnet (Theresa Villiers), and from the hon. Members for Brecon and Radnorshire and for Eddisbury (Antoinette Sandbach), as well as a short contribution from the hon. Member for Yeovil (Mr Fysh). Although hon. Members from the Scottish National party are largely interested in Scotland, it is good that we recognise that this is a genuine United Kingdom debate. We should welcome that, and learn from what they are doing right in Scotland, because we all have to plant more trees.

To be slightly critical of today’s environment plan—I have only just got a copy of it, but perhaps the Minister can explain this to me—the first bit says: “We will also work with industry and support Grown in Britain to increase the amount of home grown timber used in England in construction, creating a conveyor belt of locked-in carbon in our homes and buildings”.

I am not quite sure what that means. If the Minister can tell me what “locked-in carbon” neutrality is, I would be very pleased to be disabused.

In the few minutes I have left, I will concentrate on three areas, some of which have been highlighted already. I want Minister to understand where there is a need for more detail, both in the response to the Select Committee report and in the 25-year environment plan. First, there is the issue of how we get to 12% by 2060, which is not clearly spelt out in either the response or the 25-year environment plan. We need detail about how that will be achieved. There is a lot on aspiration, but much less on the detail. Those with knowledge of the industry are more than a little sceptical about where the detail will come from.

Secondly, there is the issue of woodland management and how we protect our ancient woodlands, which a number of hon. Members highlighted. We need to lay down clearly what the criteria are for the planning system. I am aware that that is not the Minister’s responsibility, but she will have to talk to the Ministry of Housing, Communities and Local Government about areas where we are protecting woodlands, which means that they cannot be developed.

A particular interest of mine is how forestry relates to climate change. Again, I have not had the opportunity to read the 25-year plan in detail, but I am a bit worried that the approach to carbon capture and to using woodlands as part of how we deal with climate change is not as clearly spelt out as it could and should be. It would be useful if the Minister can say something about how management, protection and growing more trees will be achieved.

Finally, as the Chair of the Select Committee intimated, the grant system is more than a little messy. The way that countryside stewardship approaches woodlands is dated. There are a number of other grant schemes, which I have never really understood—I am not an expert in this field—but I talk to people who have an interest in how they might be persuaded to grow more trees. As has been made clear, we are not just talking about the new northern forest, much as it is welcome—I suppose the northern forest will be alongside the new northern powerhouse, but it could be around it. This is not just about the big answers, but about the small copes and areas around the market towns where I live. We have got to give landowners, including housing developers, the opportunity to come up with innovative schemes.

I want to mention two other people in passing, because they are appropriate to this debate. John Parker, who happens to be a constituent of mine, is the head of trees at Transport for London, and has taught me a few things about how we need to look at tree surgery, which we have not touched on, and the way in which we maintain urban trees as well as trees in the countryside.
That is very interesting, because we must not see urban trees as negligible. They are part of the solution, so we need more trees in the urban setting. Chris Uttley has been leading a project to try to keep the water upstream so we have less flooding in towns such as Stroud, and part of that is about the sensitive planting of trees. Those people are important to me locally, and they have part of the solution for dealing with climate change and flooding, and maintaining our natural environment alongside our built environment. I look forward to hearing from the Minister, who is going to provide all the detail now she is back in office.

2.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): It is a pleasure to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Tiverton and Honiton (Neil Parish) on securing this debate on forestry, and I thank his Committee for producing its report. Hon. Members will have seen our formal response to the petition. “The right tree in the right place” can serve multiple benefits, as has been illustrated today. Forestry and woodland creation, and its sustainable management, offer a wide range of economic, social and environmental benefits, including landscape scale habitats for wildlife, increased biodiversity and reduced flood risk. Indeed, we are spending £15 million on more natural flood management schemes to understand better ways of planting trees can make life better. They also contribute to improved soil, better water quality, the personal enjoyment of nature and, as has been pointed out several times, the supply of timber.

Well-managed trees, woodlands and forests have a role in the countryside and the urban environment, which is why it is so disappointing that certain councils seem hellbent on removing trees from city streets. I am sure my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) is keen to ensure the Mayor of London keeps his pre-election pledge to plant 2 million trees in London. We are still working on our plans to help more councils plant trees to meet our 1 million tree target. They will be supported with an advice pack about the best kind of species and cultivars, which will contain guidance on different methods of tree surgery, which the hon. Member for Stroud (Dr. Drew) talked about. We know that there is excellent practice in local government already, and we want to ensure it is as widely known as possible.

To reassure the hon. Member for Penistone and Stocksbridge (Angela Smith), we remain committed to our ambition to plant at least 11 million trees during this Parliament and a further 1 million trees in urban areas.
Most recently of all, as already alluded to, I know that hon. Members are applauding the launch of the new Woodland Trust and England’s Community Forests, and we are kick-starting it with DEFRA funding to accelerate this ambitious project. I understand that our partners have already managed to secure extra funding from the Heritage Lottery Fund, and I am confident that over the timeline of the project, given their successful track record—which is why we are partnering with them to achieve it—they will be able to take advantage of not only corporate funding but development schemes that attract other kinds of Government funding.

We have continued to work with the industry and reviewed the schemes that we have in place to encourage more planting. In taking a number of steps to remove barriers that were discouraging applications for funding to support tree planting, we have made internal changes to improve operational processing. For example, the country has been mapped by the Forestry Commission, which has worked with Natural England to identify appropriate areas for significant afforestation. The commission is also working with National Parks to identify suitable planting areas, and I am looking forward to visiting the South Downs tomorrow to discuss that further.

We have raised the environmental impact assessment threshold for afforestation to 50 hectares in mapped low-risk areas, with full prior notification of relevant details required below that threshold to ensure that we maintain the environmental protection. The Forestry Commission has also set up a large-scale woodland creation unit to support the development of projects by directly influencing landowners. I am grateful to the chair of the Forestry Commission, Sir Harry Studholme, for stepping up his efforts. With him, I will be meeting landowners and estate managers later this month.

Informed by the review, we improved the application forms for the countryside stewardship scheme for 2018 and released guidance three months earlier than in the previous year, in effect significantly extending the application window, which opened last week. The woodland carbon fund, the aim of which is to provide larger forests—to recognise the point made by the hon. Member for Ipswich (Sandy Martin)—is a one-stop shop process administered by the Forestry Commission. Again, we have made significant changes, including lowering the planting threshold to 10 hectares, providing funding for forest roads and making a second-stage payment five years after planting. We have now received two more applications and I am aware of another 10 that are to be submitted.

My right hon. Friend the Member for Chipping Barnet talked about the domestic carbon market and, as was highlighted in the clean growth strategy, we wish to establish that. That is my intention. The industry says that it needs more confidence that the planting rates are getting under way before we can establish something that is financially resilient, but I am confident that we can achieve that.

On there being two schemes, we are keeping both because they have different objectives. The countryside stewardship objectives include improvements in biodiversity and habitat, flood mitigation and water quality, while the woodland carbon fund focuses on largescale carbon capture. In both cases the UK forestry standard is the guideline on the mix of planting, which does not predefine the split of species, but diversification of planting, as we have heard, helps to improve woodland resilience and protects future supplies of timber, biomass and other benefits.

We are also considering future schemes carefully. I have previously challenged the sector on improving the quality of woodland creation plans so that they clearly satisfy the expectations of the UK forestry standard. I am pleased that the Forestry Commission, the Institute of Chartered Foresters and key forestry stakeholders are working together to develop support tools, training and communications to upskill all parties involved in the design, assessment and delivery of forestry proposals. Some of the most recent woodland creation planning grant applications have shown a high quality of design planning and are being used as exemplars to guide future applicants.

On active management, which has been discussed extensively today, we know that improving markets for hardwood timber will bring more undermanaged woodlands into production. This year we will continue to promote market opportunities for timber. Our work with the ICF and other organisations to improve the quality of plans and the way in which we process them will reduce the time taken to get the management plans in place. We do not only support new planting. We offer options through countryside stewardship to support the active management of the woodlands we already have. Since 2016 we have had nearly 600 woodland management applications, which would support more than 44,520 hectares, bringing them back into active management.

On ancient woodland, my officials have met the Woodland Trust and other groups to discuss how best to prevent the loss of such woodland. We recognise its importance and that is why ancient woodland enjoys the special protection that will be further enhanced in the updated national planning policy framework. That said, our records show that there are 340,000 hectares of ancient woodland, which is 26% of total woodland area, and that between 2006 and 2015 just 57 hectares, or 0.02% of the overall ancient woodland area, were lost permanently to other land uses. We are exploring the opportunities for better recording the loss of ancient woodland, including the potential for updating the ancient woodland inventory. I understand that officials are still in discussion with the Woodland Trust about the detail, but its support is welcome.

On other Committee recommendations not already covered, Forestry Commission England will continue to publish the headline performance updates, which include the rate of new principal Government-supported tree planting and both the total area and the percentage of woodland in England in active management, on a quarterly basis. The Forestry Commission will review the indicators it publishes on woodland creation, aiming to reflect the creation supported by Government more clearly. The Commission has also committed to providing the sector with information on short to medium-term expectations of planting rates, based on grant applications received and those in preparation. My officials have discussed with the Committee on Climate Change the long-term trajectory for woodland planting to match the five-year carbon budgets and our 2060 aspiration.
On the industrial strategy, it is for the industry to come forward with a proposal for a sector deal, but I assure my right hon. and hon. Friends that we absolutely support the industry. On skills and apprenticeships, the Forestry Commission worked with the sector to create a new apprenticeship standard, and it is liaising with industry, the Royal Forestry Society and the Institute for Chartered Foresters on the creation of higher-level forest manager apprenticeships. The commission is engaging colleges, training providers and assessment bodies to promote take-up of the standard. A small number of universities in the UK also provide forestry degrees, and last year I was pleased to meet students and recent alumni at Bangor University.

At the Ministry of Housing, Communities and Local Government, we are identifying options to encourage the use of more domestic timber in construction. Nothing will happen overnight, but the clean growth strategy clearly supports the use of more home-grown timber in construction. We will work with Confor, Grown in Britain and the sector. The locked-in carbon is the essence—instead of concrete, metal and all the other things, we can achieve things just as well with wood.

Across Government, we will continue to explore how to do more for British forestry and timber-processing businesses. On the renewable heat incentive scheme, we want to ensure that waste wood is used only in specifically designed boilers. On research—I am running out of time and I appreciate that the Chair of the Select Committee may wish to reply briefly—I assure him that we have developed strong links with the industry and non-governmental organisations. Forest Research devotes 25% of its budget to knowledge exchange. We also work with the Scottish and Welsh Governments to explore future business models. European Union funding is also possible, although EU regulation does not cover forestry. Finally, in response to the hon. Member for Falkirk (John McNally), I have to be candid: future funding arrangements are a matter for further discussion between the Governments of the different nations. I can give no pledge today.

I hope that I have covered all the subjects I wished to. We have made some changes and we are seeing an uptick in the number of trees being planted. People are applying more through our different schemes, and I encourage them to do so further. We will continue to monitor that, adapting as necessary to achieve our ambitions.

2.58 pm

Neil Parish: I thank the Minister for her words, for her contribution to managing our woodlands better in future and for the tree planting into the future. Now that we are bringing forward a tree champion, perhaps we have the opportunity to look again at our woodland grant system, to see if we can bring it and pull it together.

I thank all hon. Members for their contributions today. My wife and I take the dog around Battersea Park in the morning when we are here in London. Those trees have been planted for generations, so we can enjoy them now, and they have also seen many political parties come and go. We can be absolutely assured that were we to need a cross-party approach to planting trees for the future, as Governments of all persuasions come and go, that is probably the one thing that we can agree on.

Seriously, trees breathe in carbon dioxide and breathe out oxygen, so they are good not only in the countryside but in our cities. They can be our lungs for the future. We can also make much more of our wood industry. We can have everything if we do it in the right way. My final point, as I started the debate, is that as we plant more woodland, we should ensure that it is a mixture of trees and landscapes, so as to provide good access to such forest for all people, whether it is recreational or good for the environment and carbon capture. It can also be good for our future to have more wood in our houses.

Motion lapsed (Standing Order No. 10(6)).
Martin Whitfield (East Lothian) (Lab): I beg to move, That this House has considered the role of banks and their responsibility to the communities they serve.

As always, it is a pleasure to serve under your chairmanship, Mr Gapes. I thank the Backbench Business Committee for giving us this time to discuss a profoundly important matter. I also thank all the right hon. and hon. Members across the House who have supported the debate, and I welcome the new Minister to his place.

The debate is, in part, a product of the Royal Bank of Scotland’s disappointing decision towards the end of last year to close 259 branches. Those closures will start to come into effect, and communities in my constituency will be cut adrift from the face-to-face banking that is so essential. The towns of Dunbar and North Berwick are to be hit, which have high streets with diverse mixes of independent and chain businesses. The impact has been succinctly described to me by a constituent, who said: “Dunbar supports many small businesses, not just on the High Street. How and where will they bank their cash takings? Online banking does not work for cash. Many older people in the town are dependent on the bank local branch, especially those who have no computer, or are wary of internet banking. Dunbar whose population is rapidly expanding, and the nearest RBS branch is 12 miles away.”

All Members here may have in their constituencies banks that are closing, in some cases leaving towns with no banks at all.

Stephen Kerr (Stirling) (Con): I thank the hon. Gentleman for securing this debate. It is important to note that the branch closures that he refers to are only the latest tranche of branch closures; they come on top of a series of branch closures, and that is even more devastating to what they used to call the branch network.

Martin Whitfield: Indeed, I will come on to the statistics about the existence of branches in the United Kingdom.

My hon. Friend the Member for Ogmore (Chris Elmore) tells me that when the branches close in his constituency towns, one town will be left with no bank and the other town with just one. That one bank will serve 58,000 people. This debate is more encompassing than just a recent set of closures. It seeks to ask a very pertinent question about the responsibility and the relationship between retail banking and the communities they should be so proud to serve.

Stephanie Peacock (Barnsley East) (Lab): I congratulate my hon. Friend on securing this important debate. The banking sector has been promoting research into issues that often result from branch closures, such as financial exclusion and isolation. Does he agree that it would be useful for banks to have the results of such studies before they commence local branch closures, such as the closure in Hoyland in my constituency?

Martin Whitfield: I agree; there is a serious question about the data available to the banks when they make decisions about closure. I will come on to that point further into my speech.

Chris Davies (Brecon and Radnorshire) (Con): As a member of the Backbench Business Committee, I was delighted to support the hon. Gentleman’s important application. In Wales, and in my constituency in particular, we have towns where exactly what he describes has happened: we have towns with no banks. That causes immense problems, but it has been going on for more than 10 or 15 years. Does he think that the closure policy that the banks have to go through—that tick-box process—is strong enough?

Martin Whitfield: The question that the hon. Gentleman raises of the tick-box attitude towards the investigations that banks carry out is one of the fundamental problems with regard to all consultation. Is it genuine consultation, or is it an economic decision that has been taken somewhere and then just implemented, almost irrespective of the evidence that they find when the consultation takes place?

I am keen to hear remarks from the Minister about what the Government, who obviously represent the United Kingdom in that interface between banks and the consumer and constituents, are able to do to push back those bank closures and, more importantly, investigate and establish the bank’s view of the relationship between them and the communities that they serve.

Banking as an institution goes back many thousands of years. It began in the temples—other buildings that communities held sacrosanct and safe. Tensions between money and religion have run in parallel throughout the same period. I do not intend to investigate that, but I suggest it shows the close link between the trust that people put in the individual they give their money to, to look after, and religion. Looking forward through history, the banking sector developed with the European banking families, who established a way of transferring money across Europe and then the world. Then, the Bank of England was established in 1694 and, perhaps more importantly, the Bank of Scotland in 1695.

Deposit banking has been a part—a foundation—of our society from the very beginning. That relationship was not built on pure profit, but on trust; initially, trust of individuals who promised to take care of others’ money; promise and trust of families who looked after money and religion have run in parallel throughout the same period. I do not intend to investigate that, but I suggest it shows the close link between the trust that people put in the individual they give their money to, to look after, and religion. Looking forward through history, the banking sector developed with the European banking families, who established a way of transferring money across Europe and then the world. Then, the Bank of England was established in 1694 and, perhaps more importantly, the Bank of Scotland in 1695.

Deposit banking has been a part—a foundation—of our society from the very beginning. That relationship was not built on pure profit, but on trust; initially, trust of individuals who promised to take care of others’ money; promise and trust of families who looked after money, and then the institutions. Such trust has developed over time, reinforced by close contact. That trust moved and continued to deepen and develop as banks became the cornerstone of our high streets. What of that bond of trust today? What is the feeling of banks’ most important stakeholders—those community individuals? They still entrust their money, which is then used by the bank to do so many other business activities.

In 1998—20 years ago—there were more than 11,000 branches. Today, the most recent figures indicate that there are just 6,000 local branches. Bank closures have escalated rapidly, with just over 1,000 closures in the last two years.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend is making a very powerful speech. He talked about the shrinking number of banks in general;
I am losing a NatWest apiece in Ealing and Acton. When high streets are hollowed out and they become ghost towns, small businesses have nowhere to deposit anymore. The elderly are on the wrong side of the digital divide and are disenfranchised. Who would he say are the winners? Not even the property developers are—in Acton, the HSBC has been empty since 2015. There are no winners in this at all. Does he agree?

Martin Whitfield: My hon. Friend raises a very interesting point about who the winners are in this situation. Certainly, we can identify the losers. The losers are the very community that we hold so dear; the losers are the high street—that geographical area where people gathered together and still try to. As my hon. Friend says, we have high streets that have been hollowed out. We need to find a way to stop this hollowing out and fracturing.

The banks form a crucial, fundamental part of the foundation of maintaining our high streets, which we need to maintain our community and our society. We have reached a tipping point now—a point of no return—where the Government must step in with practical solutions to stop future closures and to address the fragmenting relationship with banks.

In 2015 we had the access to banking protocol, which spoke highly of financial inclusion and local engagement from big banks, but that fell short of any statutory protections. Members will be aware of the Griggs report the year following, which offered a series of constructive remarks and ideas to improve the settlement. Unfortunately, it addressed areas where the last bank had already left town. It does not, like my party’s position, commit to a new legal protection that would enable banks to keep a presence in their local communities, which need them so much. Any new settlement should be constructively built in partnership with the banks and should engage with the shareholders of the banks who often engage with them most the local users.

What are the other answers? The Government have tried, and I suggest failed, over the past three years to try to displace some of the local bank branches with community post offices. The post office is another fundamental cornerstone of our high street and community. As my hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney), a campaigner on this matter, will testify, that alternative provision works only if the post offices are not themselves being ripped from our high streets and from the communities they serve at a similar rate. Post offices rightly have a valued position on our high streets, but we cannot place the burden and responsibility of banking on a workforce who are already stretched.

The decision to merge retail banking into our post offices is not workable in the present form, and nor is it a popular alternative. Figures from Which? show that although the British public think most post offices are doing a great job, many do not even know of the alternative banking options available there. I also tentatively welcome services such as the mobile branch service operated and offered by RBS and the idea of shared buildings. My constituents do not believe that such solutions are enough to ensure a trustworthy banking presence in East Lothian. They may fit an economic model, but they do so at the risk of continuing to fracture the trust. The single solution of a banking van might work in one place, but will not work in another. To apply it as an idea across the country is foolish and short-sighted.

The trust that people have is also influenced by the quality of protection that communities witness. Local bank staff, placed at the heart of communities, have a responsibility to be the last check and balance in terms of consumer protection. Speaking with campaign groups, including Which?, this week, I was heartened to hear of cases where people had gone into their local branch to withdraw large sums of money and the bank teller has said, “This is unusual for you. What is this about?” With that simple question they have prevented a retired couple from losing substantial sums of their life savings. That solid local relationship with trained members of staff in the local bank can go a long way to protect current accounts from bank fraud, and staff can also advise on and discuss people’s challenging financial problems.

When it comes to the assessment of community safety, I raise the question of the bank’s responsibility when a sophisticated thief dupes an individual out of money. Is it right that the bank can absolve itself of all responsibility simply because the crime was so complex and maliciously delivered that the victim genuinely believed they were dealing with their own bank branch? Such a crime might be a lot harder if the perpetrator first had to build a branch on a high street to defraud retired couples of their money.

The advent of online banking has been transformative, and it will continue. There is no argument or objection to that, but I am concerned that focus has shifted solely to it as the answer to the banking problems. It would be completely irresponsible to abandon the 20 million people who still depend on face-to-face bank services. Online banking, which will continue to grow, must be accessible. It is certainly not the fault of the big banks that Governments have failed to implement a broadband service fit for the 21st century. Nor is it the fault of the banking industry that nearly 2 million people across the UK experience internet speeds of less than 10 megabits per second, meaning that online banking will not work. But banks should be made to consider broadband blackspots and digital inclusion when they plan closures, as well as the impact of shifting consumer services from face-to-face banking to online services.

Four in 10 Scottish consumers experience service issues with their broadband. How does the banking industry expect a transition to take place? In 2015, 80% of my rural constituents were dissatisfied with their internet speeds, and yet banks in Tranent, Prestonpans and Gullane in my constituency have closed in the past three years. I am interested in the thoughts of my Scottish colleagues and others here on this matter. Should big banks be made to consider broadband speeds in any meaningful consultation on bank closures?

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It would have been nice to have had a consultation before we heard that the bank was closing. The buccaneer spirit of the Royal Bank of Scotland is exemplified by the fact that it did not bother having a consultation.

Martin Whitfield: I will deal with the question of consultation in a few moments. I want to establish a basis for that with regard to the availability of physical money.
Stephen Kerr: The hon. Gentleman made a strong point, made much stronger by the fact that we are talking about the Royal Bank of Scotland, more than 70% of which is owned by the British taxpayer, who bailed it out in the first place.

Martin Whitfield: Hear, hear.

Physical money is the most symbolic representation of trust, but there is strong evidence that banks want to move as quickly as possible away from the physical movement of cash on to online and electronic transfer. Any transition from face-to-face banking to online services must take place at a similar rate to a drive to remove cash from society. Significant numbers of our constituents rely on cash to facilitate their budgeting, and those who do must not be abandoned in the rush by banks to change.

Last year it was suggested that 10,000 free-to-use cashpoint machines are at risk of closure. Some 2.7 million people in the UK still rely entirely on cash. The free-to-withdraw cashpoints will vanish first from communities where the individuals who rely most on cash for budgeting are based. Additionally, among the small and medium-sized businesses that make up our high streets, the challenge of banking cash is increasing. I have examples of constituents in Prestonpans who now have to travel, sometimes by public transport, with their daily take to the nearest bank where they queue for up to 30 minutes to pay the money in.

Insurance and safety issues prevent them from storing cash on their premises, and the cost of contracting the deposit to security companies is prohibitively high. When the issue was raised with the banks, they said, “The money can be paid in at the post office,” but the post office will not take larger sums of money because it does not want to have the problem of transporting the cash either. In the constituency of my hon. Friend the Member for Bridgend (Mrs Moon), where tourism is a major industry, she has a business that banks more than £2 million a year but, following a bank closure, it has the responsibility for taking the cash elsewhere.

The closure of cash machines and the continued closure of high street branches are alienating business owners and older customers, fracturing still further their trust.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): I thank my hon. Friend for giving way in his compelling and comprehensive speech on a critical issue for society. Does he also recognise that the programme of closures seems to target disproportionately the poorest communities in our society? In my constituency, where unemployment is twice the national average, we have seen RBS closures in Possilpark, one of the poorest communities in Glasgow, and in Dennistoun, as well as the Clydesdale Bank in Springburn. But in one of the wealthiest parts of the city—for example, Byres Road—those banks are fully represented on the high street. What is going on there? Is that not a problem?

Martin Whitfield: Absolutely. I thank my hon. Friend for that intervention. There is a serious question to be asked about which communities the banks are changing their model of banking for. Is it for the most vulnerable? Is it those who are stuck on the wrong side of the digital divide? Certainly the evidence shows that bank closures have hit hardest in communities that have below average incomes.

Banks are and should be a trustworthy pillar of any community. They should stand proudly on our high streets as responsible hubs, along with post offices, GP and dental surgeries and the high street shops that draw constituents into their community. Recent figures from Unite have shown that the proposed closures of 62 branches will lead to 165 job losses. That is devastating for small communities, but we hear that the losses will be offset by the shifting of jobs to head office and call centres. However, the people losing their jobs are of course predominantly women responsible for families, who are unable to make long journeys to different areas. Are they being asked to move out of their communities? The change in banking models affects vulnerable customers most, with 90% of closures taking place in communities where the income is below the national average.

Members will recognise that the model being advocated by the banks is one in which few industries operate. They are founded on so little face-to-face contact, with such limited real-time relationship between consumers and the organisation, that they represent something more like social media network platforms. I wonder whether in fact the banking industry seeks to move to the Twitter and Facebook models. The relationship of trust that once existed between the bank manager and the individual is in serious danger of being lost to an algorithmic financial model.

I hope that my speech will not lead Members to think I am being luddite about digital reform. I embrace it, and what I am saying is as much as anything friendly advice to the banks, but I cannot envisage, with so many still not using online services, that we should continue dogmatically to push through changes to people’s accounts, affecting such large groups of people. Social media platforms had their users come to them; banks seek to migrate their customers onto their digital platforms. The trust that the banks have had and have treasured so much throughout their and their community’s history is at risk.

As I have made clear, the purpose of today’s debate is not just for the people I serve to hear the Government condemn bank closures. They want to hear how the Government can keep banks at the heart of communities and facilitate genuine discussion so that banking institutions can rediscover the value of the close link that they have had throughout their history with the communities that entrust them with their money—which, indeed, the banks used to invest elsewhere. Very recently the banks looked to those communities to save them and the financial engine; and communities stepped up. Communities are now looking to the banks to save the high streets and the bond of trust that is the cornerstone of the relationship. We need a social responsibility clause so that members of the communities to which our banks belong can have an integral and valued role, and trust can once again be established.

Mike Gapes (in the Chair): I am afraid we have limited time for the debate and I strongly advise that speeches should be no longer than four minutes, or we shall not have enough time for the Minister and the Opposition spokespersons. I intend to move to the
Front-Bench speeches at about 4 o’clock, so I should be grateful if, as far as possible, interventions could be limited and speeches concise.

3.24 pm

Stephen Kerr (Stirling) (Con): It is a privilege to serve under your chairmanship, Mr Gapes. I compliment the hon. Member for East Lothian (Martin Whitfield) on obtaining the debate. It was my privilege to accompany him to the Backbench Business Committee and I was delighted when permission to hold the debate was granted.

If anyone should be aware of how important banking is to people in their daily lives, it is the banks themselves. They know that people need banking services to get paid, pay their bills, save and, usually, buy a house. They know that keeping a pile of cash under the bed is not an option in our society, so they should recognise that it is their responsibility to ensure that rural communities in particular have reasonable access to banking services. Unfortunately, as a Member who represents a largely rural constituency, I have to tell the House that many rural communities are losing that access and their connection with banking.

I am going say something now that might be seen as something of an article of apostasy in my party, because I am going to agree with the Scottish National party council leader in Stirling. He wrote to me just before Christmas making some valuable points that I can only agree with. In fact, I think I may have said them first, which justifies me in agreeing with him. He makes the point in his letter about the Royal Bank of Scotland closing its Bannockburn branch, which means there will be no banks at all there. I want to use this opportunity to commend the people of Bannockburn ward, more than 2,000 of whom signed a petition asking the Royal Bank of Scotland to review its decision. I want to make a point that is also made by the leader of Stirling council:

“This closure will have a disproportionate impact on some of our most vulnerable citizens”—as was mentioned earlier—“within the Bannockburn and Eastern Villages area with many reliant on high street banking.”

The letter continues:

“I have been approached by concerned constituents many who are elderly and neither have the access or ability to engage with on-line banking. Many are distrustful and indeed fearful of using the internet for such transactions.”

That point was also made by the hon. Member for East Lothian. I have also been approached by hundreds of my constituents—I do not exaggerate—who tell me that it is a fundamental act of injustice to remove the banking services from the communities that, as he said, need them most.

In my constituency, RBS plans to close three branches—in Dunblane, Bannockburn, and Bridge of Allan—leaving one RBS branch in the entire constituency. By the way, that branch is in the centre of Stirling and access to it is impossible for anyone with any form of mobility challenge. It is not the best locality—either for car parking or for getting to—for the single remaining RBS bank in my constituency. That is bad news for small businesses, which benefit from having a local branch, as the hon. Member for East Lothian explained well. It is bad news for the staff who work in the branches, and for elderly people and people who are less well off, who are less able to make the journey to a branch several towns away.

I should make it clear that the Royal Bank of Scotland is not the only offender. I should also make it clear that I used to work for RBS, when I was a callow youth, on leaving school.

Angus Brendan MacNeil: Last week.

Stephen Kerr: Thank you very much. The hon. Gentleman has become my hon. Friend suddenly.

I have a fondness and affection for the Royal Bank of Scotland. It is a grand old Scottish institution, which has been ruined by the mismanagement of the directors of a decade ago.

I ask the Minister to look at what the banks propose. They are saying, “We are going to close the branch. Go to the post office.” That is not practical.

Luke Graham (Ochil and South Perthshire) (Con): My constituency faces closures in Alloa, Kinross and Comrie. In Comrie, we face exactly the issues that my hon. Friend has mentioned, with customers being referred from the bank branch, in a place where there is weak broadband, weak infrastructure and a post office in the newsagent. That is not acceptable to my constituents, and it is pathetic customer service from the Royal Bank of Scotland.

Stephen Kerr: The reality is that there are limitations on the amount of cash that can be taken and given out over the counter, and that must be confronted. The irony of all the closures, as has been mentioned twice in the debate, is that they affect the communities that have the weakest broadband connection. They are going to have to go digital without a broadband service. It is ridiculous and I call on the Minister to call on the Royal Bank of Scotland to conduct a proper review of and consultation on the branch closures.

3.29 pm

Helen Goodman (Bishop Auckland) (Lab): It is a pleasure to serve under your chairmanship, Mr Gapes, and a great pleasure to follow my hon. Friend the Member for East Lothian (Martin Whitfield), who made an excellent speech.

When HSBC decided to close the last bank in Shildon, a town of 10,000 people in my constituency, the mean spiritedness of the bankers was fully on display. We asked them to make a £10,000 contribution to the local credit union. They could not afford to do that, but let us look at the fancy salaries of the people at the top of these banks. This debate is about the values of those institutions. RBS is closing its branch in Barnard Castle, and there is a massive petition going in Barnard Castle and Teesdale. Many local people, small businesses, charities and churches ask, “How are we going to manage?” They are outraged that, even though we own that bank, the Government fail to put controls on what it does.

Hon. Members have rightly spoken about broadband. Branches are being closed in low-income, predominantly rural areas—precisely the areas with the worst broadband,
where it is most difficult to access internet banking. This is a structural problem. People in my constituency have to drive all the way to Leeds to have any kind of sensible discussion about a business issue. That is a four-hour round trip. That means that someone who is trying to run a small business has their day taken up by visiting the bank.

I suggest to the Minister that we should look at changing the competition rules. It seems to me that it might be possible for some banks to share premises, which would undoubtedly enable them to save money, but they say that that would be a breach of competition legislation. That tells me that the competition legislation and the competition authority’s mandate are wrong. There should be a public interest test as well as a competition test so that the banks do what they are meant to do: serve the public.

3.32 pm

Brendan O’Hara (Argyll and Bute) (SNP): It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate.

The Royal Bank of Scotland’s decision to close 62 of its branches in Scotland—a decision that will leave 13 towns in rural Scotland without a single bank—is an absolute disgrace and will inflict further long-lasting reputational damage on RBS. That it announced that decision so callously, without even having the courtesy to hold consultations with the communities involved, is absolutely unforgivable. One would have thought that RBS, having been bailed out by the public purse to the tune of £45 billion, would display a degree of humility. Its decision to turn its back on so many communities, particularly those where the RBS branch is the last in town, is a scandalous abdication of its social responsibility to rural Scotland and to the people who were forced to keep it afloat when it risked sinking without trace during the financial crisis.

RBS plans to close three branches in my constituency: those in Campbeltown, Rothesay and Inveraray. Those ruthless closures will not only hurt local businesses and individuals; they will be hugely damaging to Argyll and Bute. We have worked hard to tell people that we are open for business. We have actively promoted Argyll and Bute as a great place to live, work, raise a family and do business. These closures undermine all that hard work.

It does not have to be this way. We, the people, pumped £45 billion into RBS a decade ago. We own it. The Government therefore can, should they wish, intervene to stop these closures in their tracks. My constituents know, as we all do, that the taxpayer owns 73% of the Royal Bank of Scotland and that the Government can—and, when they choose to, do—get involved. I am sure the Minister does not need me to remind him that when it was announced that Stephen Hester, the previous chief executive of RBS, was leaving, the then Chancellor, George Osborne, told the “Today” programme that “as the person who represents the taxpayer interest...of course my consent and approval was sought.”

There is undeniable precedent for the Government to get involved in the state-owned Royal Bank of Scotland.

Just before Christmas, the Prime Minister told Parliament that she had chosen not to involve herself in the RBS branch closure programme. My constituents and I hope that the Government had time to reflect on that decision over Christmas and had a change of heart, and that the Minister will confirm today that they will summon RBS chief executive Ross McEwan to Downing Street and let him know that, in the interests of our rural communities, the branch closure programme has to stop. If that is not the case, will the Minister explain to my constituents exactly why the Government have chosen not to involve themselves in the closure programme? Will he explain that to the people of Inveraray, a tourist hotspot with retail outlets, cafés, bars, hotels and a huge, flourishing tourist industry, who will be left without a single bank and will need to make an 80-mile round trip to their nearest Royal Bank of Scotland branch?

In the coming weeks I intend to present three petitions from Campbeltown, Rothesay and Inveraray, so that the people of Argyll and Bute have their voice heard in this place. Until then, I will take every opportunity to press the UK Government to accept their responsibility, because we paid a very heavy price to own RBS and the least we expect is for them to protect our rural communities from the excesses of the Royal Bank’s hatchet men.

3.36 pm

David Duguid (Banff and Buchan) (Con): It is a pleasure to serve under your chairmanship, Mr Gapes, and I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate. I welcome the Minister to his new role and I look forward to working closely with him on this subject. I believe that meetings are being scheduled as I speak.

The issue of banks in our communities is part of the wider issue of excessive centralisation, which has been happening for decades and concerns many of us with rural constituencies across the UK. Centralisation can have a range of unintended consequences for communities in which vital services are removed or reduced. This is a timely debate about an issue of great importance to constituents in Banff and Buchan, who recently learned that they would be losing two Royal Bank of Scotland branches: one in Banff, the county town, and one in Turriff, which is my home town.

Those closures are in addition to others in rural areas in the north-east of Scotland, including Ellon and Huntley. We have already heard that a total of 62 RBS branches across Scotland will close. As my hon. Friend the Member for Stirling (Stephen Kerr) said, we should not forget that those closures come on top of previous closures. The Bank of Scotland branch in Macduff, just across the River Deveron from Banff, closed down just last year. That was the last bank on the high street. Of course, it was said at the time that there were still banks across the river in Banff, but they continue to close. When will that end?

A couple of Clydesdale Bank branches in my constituency that closed down—one in Banff and one in Mintlaw—are still sitting empty more than a year on. In some cases, former banks are grand old buildings that would be valuable for another use. In fact, I must admit that I looked at one of those premises as a potential constituency office, which may or may not have been politically sound, but I could not get the permission of the building to do that. They did not seem interested in renting it out. That is perhaps a different subject, but we do not want empty premises on any of our high streets.
These closures affect not only the towns in which the banks are situated, but the surrounding rural communities, particularly in very rural constituencies where towns are far apart. People go to banks not just to withdraw money, but to seek financial advice, apply for mortgages, pay their bills, cash cheques and so on. We should not underestimate the importance of having a friendly face behind a bank counter to explain and guide people through processes that are not everyday occurrences.

As we have heard, a local branch is not just a convenience; it is a necessity. That is particularly true in rural communities. We hear that people increasingly use online banking—these days I do pretty much all my banking online unless someone gives me a cheque, when I have to find a branch to cash that cheque—but when broadband is barely better than dial-up, as in much of our rural communities, that can seem like an extravagant luxury.

One of the RBS closures has been announced for my home town of Turriff, where there is a local savings scheme called the Turriff Friendly Society, which has been around for 143 years. The society has about 400 member accounts. Each member account might have multiple people contributing to it, so perhaps more than 1,000 people are affected. The savings scheme has struggled to cover banking costs in recent years due to low interest rates and it has managed to keep going only by charging small membership fees. The main worry of the society, which currently banks with RBS, is the threat of high costs and service charges for moving to another bank. One of the vital services the society requires is use of a night safe, which is not something we often see in modern banks. It will lose that when the bank closes.

All banks, including RBS, must realise that they are part of the lifeblood of a local community. People provide their loyal custom, and in exchange they expect some very basic services. When it is no longer commercially viable for a branch to remain open, it is imperative that a bank looks at what alternatives can be provided to the people who rely on it. A mobile banking van once a month, for example, is not the answer if there is not the dependable mobile signal that it relies on.

3.41 pm

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Gapes. I thank my hon. Friend the Member for East Lothian (Martin Whitfield) for securing this timely and important debate. There is no doubt that how we access banking services has changed in recent times. However, as with any change, there is a balance to be struck between evolving practice—in this case, the rise of online banking—and ensuring that the drive for change does not cause damaging disruption to the services local communities rely on.

The recent round of bank closures by RBS, NatWest and Lloyds has got the balance wrong, as did the previous round of bank closures. The Government’s view is that bank closures are a commercial matter only and that they will not intervene in such issues. As someone who used to run a small business—I refer Members to my entry in the Register of Members’ Financial Interests—I can say from experience that local branches are not just private companies but essential utilities to the communities in which they are based. An easily available, well-run local bank branch has all the productivity benefits of good roads and a reliable internet connection.

The Government cannot absolve themselves of responsibility by claiming that such closures are simply a commercial matter. Research by the Federation of Small Businesses shows that branch closures are damaging to small businesses, with one study finding that lending to small businesses in a given postcode area fell by almost two thirds following a bank branch closure. Lending for small businesses grows on average from one quarter to the next by 2.13%. However, after a closure, growth falls to 0.79%—a reduction of 63%.

In the last round of closures it was announced that six bank branches were closing in a matter of months. Both Blantyre and Cambuslang no longer have any bank branches. I recently asked my constituents what effect the closures were having on them. One respondent, Joy, said:

“My husband is self-employed and he has a lot of coinage to bank. Because of the bank closures, we now have to travel from Cambuslang to Rutherglen, as the branches in Cambuslang and Burnside are now closed. There never seem to be more than two tellers on the counter at any one time and you can wait for over 30 minutes before being seen. This eats into time that could be spent earning.”

RBS says that post offices can provide services in the place of closed branches. However, I have concerns about the capacity of post offices, which have also closed in great numbers, to meet that demand. Post offices do not have the expertise of local branches, which will deprive people of easy access to more complex banking services.

The impact of such closures will be felt hardest by those who struggle either physically or financially to travel, meaning that the elderly, disabled people and the poorest in society will be most affected by the Government’s failure to act. An impact will also be felt by aspiring local businesses. From my experience, I know how important it is to build that trusting relationship with a bank from the beginning, and where really is no better way of doing that than old-fashioned face-to-face contact.

It is likely that small businesses will receive less money for setting up and essential in-branch transactions will take more time and be less accessible to those who find it difficult to travel. Banks draw people to the high street, and retail businesses are already struggling to survive. Any decline in footfall and reduction in availability of free-to-use ATM machines for customers to withdraw cash could well be the final straw for many retail businesses.

It is important that we view local branches not just as commercial enterprises but as essential local utilities that play an important role in supporting local economies. Communities rely on banks, but that relationship is two-way. When the banks got into trouble, it was taxpayers in our local communities who stepped in to save them.

What a dreadful way this is to repay that favour.

3.44 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship, Mr Gapes. I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate—I applied for a similar debate, and I agree with the sentiment he expressed: namely, that local bank branches are critical to the communities they serve.
RBS has clearly angered many following its indefensible decision to close more than a third of its bank branches across Scotland. It has a cheek to claim in a recent ad that it is the royal bank for the whole of Scotland. It has taken the ridiculous decision to close its busy branch in Renfrew town centre, leaving its only branch in my constituency in Paisley—a branch that has access problems. The bank freely admits that that branch has poor parking facilities, and it is more than 400 metres from the nearest bus stop. Given its position on a busy one-way system, that will not change, which makes life difficult for those with mobility problems to access it. Since I was elected two and a half years ago, this is the fourth bank branch closure campaign that I have been involved in.

The people of Renfrew’s reaction to the decision is testament to the strength of feeling on the matter and their support for the local branch. Mrs Cuthbertson posted on my Facebook page to say:

“I am a pensioner, as is my husband, who is also disabled. Both of us will find it extremely difficult to get to the next closest RBS branch in Paisley as there is no direct bus link to it.”

Mr Butterfield emailed me to explain that he is “shocked” and “distracted” about the decision. He is registered blind and his brother has special needs. He needs help from the fantastic RBS branch staff, who help him pay his bills. They have no idea what they will do once the branch in Renfrew closes its doors. That highlights once again how RBS has ignored the needs of its loyal customers who have a disability.

I should say, I am a customer of the Renfrew branch, which is a busy branch. There is not a time when I go in when I do not have to wait in a queue—so much so that, last week, I abandoned what would have been a fairly time-consuming request for the teller because the queue was nearly out the door.

A few weeks ago, I met RBS executives in Renfrew, alongside representatives from Renfrew community council and Renfrew development trust, and Councillor Shaw, a local ward councillor. To say that the meeting was disappointing and ultimately unproductive would be an understatement. Despite promising to do so prior to the meeting, they could not—or rather, they would not—provide any relevant information or specific transaction numbers to back up their decision. They stated only that 11 factors were taken into account when making the decision, but they refused to tell us what those factors were. They could give no explanation as to why the branch had been refurbished months earlier.

I have a lot of respect for the Minister, but he has recent history in letting me down—[Interruption.]. Not this time. I hope, but Paisley should have been city of culture. I hope at the very least he will look to speak to RBS to ensure that local MPs are given the facts that back up the closure decisions.

The UK Government have legislative and regulatory responsibility for banking and, as a major stakeholder in RBS, they could and should stop the closures. All that is required is political will. Their unwillingness to act speaks volumes. We on the Opposition Benches will not sit idly by and allow RBS to abandon its responsibilities to local communities by closing these vital branches.

3.49 pm

Ben Lake (Ceredigion) (PC): It is a pleasure to serve under your chairmanship, Mr Gapes, I, too, congratulate the hon. Member for East Lothian (Martin Whitfield) on securing a debate on a matter of the highest importance for communities across the United Kingdom. West Wales was home to some of the first banking networks, set up at the end of the 18th century to facilitate the booming trade of sheep and cattle and to allow Welsh drovers to deposit large sums of money safely on their way to and from London. Is it not therefore tragically ironic that we now face a situation where these very same rural communities, home to some of the earliest banking networks, could soon be deprived of any at all?

Nowhere, perhaps, is that precariousness more apparent than in Ceredigion. The seaside towns of Aberaeron and New Quay have lost bank branches, while the old market towns of Llandysul and Tregaron recently made headlines by becoming towns without any banks at all. The recent round of closures means larger towns in Ceredigion losing branches. It is important to note that, beyond the impact that those recent decisions will have on Cardigan and Lampeter, the consequences will be doubly felt by some of the other towns in the county. When they lost their own branches, the communities were told they could visit the branches in Cardigan and Lampeter instead. Now those branches are closing.

I do not deny that the way people bank is changing, but I argue that the way it is changing differs across the country, which needs to be reflected, as the hon. Member for East Lothian mentioned. For many in rural areas, new and alternative ways of accessing banking services are simply not possible due to a lack of broadband. As a consequence, online banking and card payments, let alone contactless payments, are a distant prospect for many.

In rural areas, the closure of a branch often requires transferring to another branch many miles away, which poses a problem for older people, those with poor mobility, and those living in rural communities where transport links are few and far between. What is more, small business owners find themselves having to close shop to travel 20 or 30-odd miles one way to the nearest branch, merely to bank their takings. It is not sustainable for many small businesses to close for an afternoon or a day just to travel to the nearest bank.

Ultimately, the best way to combat the impact of the bank closures would be to develop a publicly supported community bank network along the lines of the German community banking model. In the interim, an urgent summit of all UK retail banks should be pursued, to discuss their plans regarding the branch networks. For too long, the approach taken has been reactive, waiting for decisions and then allowing them to happen. If we continue in the same way, hon. Members should be in no doubt that our communities will be starved of essential services, announcement by devastating announcement.

We must take the initiative so that we can prevent further closures. That aim could be secured by strengthening the access to banking protocol and introducing greater requirements on banks to abide by their responsibilities to the communities that have long supported them. Arranging a summit of all the major banks would also be an opportunity for the Government to facilitate greater efforts to maintain an equivalent level of banking service in rural areas. Why, as the hon. Member for Bishop Auckland (Helen Goodman) mentioned, should we not pursue greater co-operation or perhaps even the establishment of banking hubs, where existing high street banks can co-locate rather than completely vacating rural towns?
[Ben Lake]

Before Christmas, the Minister referred to action he had taken to raise awareness of the services in the post office. Why do we not pursue that avenue further, and build a proper community bank on the existing infrastructure of the post office? That would entail a significant amount of initial investment, since not every post office is currently configured to undertake such functions and staff are certainly not adequately resourced. However, increasing banking provision in local post offices could offer one way of ensuring that communities and businesses in rural areas continue to be able to access essential banking services. A lot needs to be done if that is to work, and it needs to be done urgently.

3.53 pm

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): What we see here is a bank that has acted in a buccaneering way, with no impact assessment at all, no community responsibility and no thought of how it might affect communities. The community I am talking about is an island community, and one of their first thoughts was of the Cashline machine. Islanders on the island of Barra have to take a five-hour ferry to Oban and then either take a few hours’ drive to Gairloch or another ferry to Tobermory on the island of Mull to access a Cashline machine. Their next thought was, of course, going to South Uist, which would involve at best a half-day trip at a cost of about £20 or £30 return to access maybe £50 from the Cashline machine.

Luckily, on day one RBS, after telling us it had done thorough diligence and been very thoughtful, had to reverse its position after a few tweets about what it was doing on the Cashline machine—so little was the thought that RBS had put into the buccaneering, high-handed, reckless hatchet-man job. It does not care about the communities it has served for so long, and it is showing them no loyalty whatsoever. As a customer of RBS—the only bank on the island of Barra—it is absolutely sickening to find that it is turning its back and walking away, and that it does not care.

I argue that the way RBS is going about this at the moment is such that the patriotic move would be to move money out of the Royal Bank. It can drop the name “Scotland” for the way it is treating people all over rural Scotland at the moment. Whether in East Lothian, Stirling, Inveraray or even Wales, the way RBS is going about this is in no way decent, moral or nice. It is a bunch of people on corporate welfare, with £16 million in bonuses a year. Now, £16 million in bonuses a year would pay for the salaries of the staff at the branch in Castlebay, Barra, for 266 years. That is the level of greed we see from those people—it is not just greed, but cowardice and irresponsibility.

I invited Ross McEwan to come to Barra, and I got a letter from Les Matheson, which said:

“Thank you for inviting Ross McEwan and Hollie Voyce to visit the Isle of Barra. As the CEO for Personal and Business Banking I regularly visit our branches across Scotland to meet customers and staff, and I can confirm I will be visiting Castlebay in the New Year.”

He came in on a flight in the morning and went in the afternoon. How do I know? Because I happened to visit the branch with a banking issue on Friday afternoon, to be told by the staff, “Did you know you missed Les Matheson coming to Barra?” It was an act of utter cowardice. None of them have yet come to face the community at all.

Before I come to the end of my speech, I congratulate the hon. Member for East Lothian (Martin Whitfield) on securing the debate and say to him, “Very well done indeed.” I was trying to do the same myself. I hope that some of us will give thought to demonstrations outside the headquarters of the Royal Bank of Scotland if it continues in this way. My hon. Friend the Member for Argyll and Bute (Brendan O’Hara) pointed out that George Osborne, when he was Chancellor, sought consent for Stephen Hester’s appointment. I have to ask the Minister: this time, with the devastating blows that are hitting Conservative, Labour, Scottish National party, Liberal and everyone else’s constituencies, was consent sought?

I know the Minister is a principled man. He is in a new job, and such a job in the Treasury is a great test of principles. We will have to see who is in charge here. Is the bank owned by the Government, or do the bankers own the Government? Who is telling who where to jump? Who is pulling the strings? What is happening? The Government cannot play Pontius Pilate. With the Bannockburn closure, I am left to think that we will have to send the Royal Bank and its greedy corporate welfare home to think again.

3.57 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): It is a pleasure to serve under your leadership, Mr Gapes. I am also grateful to my hon. Friend the Member for East Lothian (Martin Whitfield).

I will say a few words in this important debate. I have shared my concerns with many colleagues, who have highlighted their grave concerns today about the proposed RBS branch closures. That is particularly important to me because three RBS branches in my constituency have been identified for closure: one in Chryston, one in Bellshill and one in Tannochside—my own bank. I wrote to Ross McEwan on 12 December on behalf of my constituents and I am still awaiting a reply. I urge other colleagues to do the same. I would also like to place on record my support for the approach taken by Unite the union, which has pledged to work not only to save jobs but to save the constituents who depend on those banks. That is an approach that I support 100%.

I know that time is brief, so I will say a few words about high streets. Communities and high streets up and down our country are at breaking point. We have seen small independent shops closing due to the rise in rates. As my hon. Friend the Member for East Lothian has noted, we have seen Royal Mail privatised and post offices up and down the United Kingdom closed, and now we have RBS doing the exact same thing in Scotland. As a member of the Communication Workers Union and someone who has travelled up and down the UK fighting post office closures, I find it an absolute disgrace that the banks are now trying to use the post office as an excuse on availability when post offices have been closed and closed. My CWU members would have loved that bankers’ bailout money—it being Scotland, I should repeat that: I did say “bankers”.

The closures are a recipe for disaster and show little respect for many of our constituents, who do not have access to a computer at home and do not have internet
banks. They show little respect for the people who need a bank for their affairs, especially the small businesses I met in Chryston that are concerned about their local bank. I have written to the RBS customer affairs Committee, and we have invited RBS representatives down next week. I will be taking these issues forward with them. I pay tribute to my hon. Friend the Member for East Lothian that that vow has now been completely disregarded, with that for RBS have now been completely disregarded, and the cuts just now, my constituents live by their money week to week. They will go to the bank and be charged £2 to lift £10. That is not on, and that is what I am fighting against for my constituents.

It has been noted that 1,000 banks have shut. That means more job losses. I am a member of the Scottish Affairs Committee, and we have invited RBS representatives down next week. I will be taking these issues forward with them. I pay tribute to my hon. Friend the Member for East Lothian and thank you, Mr Gapes, for your time.

4 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I begin by thanking the hon. Member for East Lothian (Martin Whitfield) for securing this debate. In the claustraphobic environment to get this debate, he was the first one out of the trap.

I am very pleased to take part in this debate, but I wish it was not necessary. The latest round of closures has been characterised, as we have heard today in so many words, by a lack of consultation and an arrogant disregard for the majority shareholders involved: the taxpayer and the consumer. I find myself in the most unusual position—I hope it happens many times in the future—of agreeing with the hon. Member for Stirling (Stephen Kerr). He is absolutely correct to say that these closures will have a disproportionate impact on some of the most vulnerable members of our communities.

This debate is very timely. In Scotland another 62 branch closures have been announced. Of course, RBS vowed in the distant past not to close the last bank in town, but it seems that the PR experts who came up with that for RBS have now been completely disregarded, because the bank is rather ashamed of having made that vow. There has been no consultation, and as we heard from the hon. Member for East Lothian, there has been a tick-box mentality as these banks shut up shop and turn their backs on our towns without a backward glance.

Thirteen communities in Scotland will be left without a bank at all following the recently announced closures. It is incumbent on me as the Member for North Ayrshire and Arran to point out that in my constituency, the latest round of closures brings the number of towns without a bank up to seven. The towns of Dalry, Stevenston, West Kilbride, Ardrossan and Beith no longer have a bank, and now we can add Kilbirnie and Kilwinning to that list. I honestly do not think that any constituency in the UK has been hit so hard or so cruelly. Indeed, the banks are stampeding out of Ayrshire at an alarming and staggering rate, and RBS is leading the way.

I cannot overstate the sense of anger and betrayal felt by the communities affected right across the United Kingdom, as we have heard today. This is a bank that was bailed out by the taxpayer to secure its survival. Let us not forget that its survival was under threat because of its own mismanagement and incompetence. We, the taxpayers, stepped up to save this bank, and we still own 73% of it. What we have heard today about these closures is a very bitter pill to swallow indeed.

The UK Government retain all legislative and regulatory powers in terms of financial services, so they do indeed have the authority to call a halt to this devastating round of closures. If they choose to do that, it means that banks, stakeholders and the UK and Scottish Governments can consider how best to take account of the obligation to banking customers and our communities. Whatever the banks may say, they have an obligation to our communities—they have a service obligation, a financial obligation and, I would argue, a moral obligation. Like my hon. Friend the Member for Argyll and Bute (Brendan O’Hara), I will present a petition to Parliament on this issue, to allow my constituents’ voices to be heard.

Let us be clear about what these bank closures mean. They mean that the affected communities no longer have access to day-to-day essential banking services. It means that my constituents in Kilbirnie must undertake a round trip of 18.8 miles to access their new so-called local bank, many of them relying on public transport to do so. It means RBS customers in Saltcoats are being directed to the next RBS, which is a round trip of 12.8 miles, and Kilwinning customers are being asked to undertake a round trip of 6.8 miles to visit their new local branch.

All of that is before we even get to the impact on local businesses, which increasingly lack access to night safes. If local businesses cannot bank their takings at the end of the business day, they must incur an extra insurance charge for keeping the cash overnight, with all the security implications of that. These small businesses are the backbone and lifeblood of our communities and our economy. Without a local high street bank, their very futures become more precarious as well.

Make no mistake: to leave a town with no bank is financial and social exclusion. I am really fed up of hearing that people now bank online and that branches are no longer needed. I accept, as everyone today has, that some people are changing the way they bank, and good luck to them. However, many people do not bank online, for a variety of reasons. We heard from the hon. Member for East Lothian that digital exclusion is a significant factor, but it is not the only factor. I do not bank online. I choose not to bank online, and I will not be bullied into banking online by any bank. We are being bullied and forced to bank online because we are not behaving in the way the banks would like us to.

Mobile banks, which RBS constantly brings up to placate the towns that it is abandoning, do not assuage customer concerns, because they are unreliable and not disability compliant. The Prime Minister said in the Chamber that branch closures were operational matters for the banks, but that is really not good enough as we face what can only be called a high street banking crisis. Banks have shown and are showing increasingly that they have no sense of service to our communities. It is time for the UK Government to establish and enforce a guaranteed minimum level of service provision for essential
banking services that recognises the importance of continued access to banking for our local communities. I have put it to several banks, as they seek to abandon our towns, that an option they might want to look at is reducing their opening hours. The fact is that they want to shed the asset. They want to close up shop without a backward glance. They are not interested in what our towns need.

As for the UK Government arguing that these are operational decisions, there is a precedent, as my hon. Friend the Member for Argyll and Bute set out, for a publicly owned bank seeking Government consent as its majority shareholder. The previous Chancellor, George Osborne, confirmed that point during his time as Chancellor. His consent was sought by RBS over the departure of the previous CEO, Stephen Hester. That means the UK Government right now could reject any new RBS branch closures in locations where no appropriate face-to-face alternatives are in place. They should require RBS to ensure that practical and sustainable alternative banking services are put in place before any closures are signed off. Otherwise, the road we are going down will lead to the end of high street banking.

The UK Government have both the legislative and regulatory power and responsibility for banking and financial services. Given that banks are riding roughshod over communities with no sense of service or their responsibility for leaving customers high and dry, it is now time for a guaranteed minimum level of service provision for essential banking services to be put in place. I urge the Minister to listen carefully to the very real anger and sense of betrayal that these closures have given rise to, and to use all the means at his disposal to have these decisions revisited. Otherwise, every high street bank we still have will not remain for much longer.

4.9 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op):

I begin by congratulating my hon. Friend the Member for East Lothian (Martin Whitfield) on securing this debate on a topic that is clearly of such central importance to many Members. I also congratulate him on his speech, which I mean not just with the usual courtesy. I thought it was an excellent introduction and a fair assessment of the situation the UK faces, and particularly Scotland.

This debate is the first in which I face the new City Minister. I warmly welcome him to his new role. He will find the shadow Treasury team always available with reasonable suggestions for a fairer and more prosperous Britain. I look forward to spending a great deal of time with him on statutory instrument Committees over the next few years.

I often think that banks have one thing in common with those of us who are politicians—with Members of Parliament in this place. People often say that they are not keen on politicians but that they feel quite affectionate towards their local MP. Similarly, many people do not feel particularly affectionate towards the banks, but do have quite a lot of regard for their local branch. We can see in this debate the strength of feeling that changes to the high street banking presence have generated.

The British banking industry is vital to our national economic infrastructure and is a sector that we should be able to be proud of. It is clearly important because of the revenue that it generates for the Treasury. UK-domiciled banks contributed an estimated £35 billion in tax in 2017 and they also employ 1.5% of the entire UK workforce.

Angus Brendan MacNeil: On that point, will the hon. Gentleman give way?

Jonathan Reynolds: I give way to the hon. Member for Na h-Eileanan an Iar.

Angus Brendan MacNeil: Well done—perfect pronunciation as well. The UK has a problem with productivity. Does the hon. Gentleman agree that this move means that people will have to spend many hours moving about the country to get to the banks, which were much closer at one time, not on their core activity? It is a destroyer of productivity. On that basis alone, the UK Government should call them to heel.

Jonathan Reynolds: That is a very reasonable point. Hon. Members such as my hon. Friend the Member for Bishop Auckland (Helen Goodman) and the hon. Member for North Ayrshire and Arran (Patricia Gibson) have shared stories of the round trips, the incredible journeys, that people have to make because of the lack of a banking presence locally. I thought that my constituency was quite badly affected, but the stories that I have heard today show just how widespread the problem has been.

The lending that banks provide is essential to financing growth in the economy, for both individuals and small and medium-sized enterprises. Many British people who are in credit benefit from free banking and 24/7 access to their money through a variety of channels and new technologies. However—and it is a big however—the memory of the British public is not so short that they do not recall the immense damage wrought on the country in 2008 by the financial crisis, which started in the banking sector. We should not underestimate the profound impact that those events have had on public trust in both retail and business banking.

Bailing out the banks, as the Government of the time did, was, without question, the right move. I often say that it would be more accurate to describe that as the Government bailing out the public from the consequences of what the banks had done, rather than straightforwardly bailing out the banks. However, those actions, which in some cases brought establishments into public ownership, clearly reiterated that the relationship between the banks and the public should be reciprocal. The fact that taxpayers’ money was made available to banks reinforces that financial institutions are of central importance to our economy’s wellbeing.

Banking is unlike other industries, in that dealing with people’s money gives banks a unique and special responsibility. That brings with it, rightly, higher expectations about conduct, culture and putting the customer first. As a country, we have in the past 10 years legislated for a considerable increase in bank regulation, much of which, we hope, will prevent us from ever having to witness events like those of 2008 again. I recognise that in tandem with that many banks have made efforts to
bring about cultural change internally, to overhaul systems and processes and to show that they take their role in the economy seriously.

However, there is clearly still so much to be done in rebuilding the relationship between the banking sector and the public. A YouGov study released in March 2017 showed that just 36% of British consumers trust banks to work in their customers’ best interests. Last year, I was at Mansion House for one of the industry body dinners, where the chief executive of one of the big banking representatives said that its research showed that just 13% of SMEs felt that they could trust their bank to do the right thing for their business. That is no good for the banks or for us as politicians and it is certainly no good for the businesses that feel that way.

Now is the time for banks to demonstrate that they have learned from the past and to recompense for past failings. This is not just about a banking presence on the high street. The historic events involving things such as RBS’s Global Restructuring Group are a case in point. Serious mistakes, errors of judgment and, we have to say, in some cases, criminal activity took place, with appalling consequences for some businesses in this country. It is not enough that the requisite cultural change has taken place to prevent such events from happening again; rather, the banks must show that every effort has been made to rectify that behaviour, show that complaints are taken seriously and, crucially, show that changes are in place to ensure that customers can never again be exploited in that way.

That underpinned Labour’s decision to table an amendment to the Finance Bill calling for a reversal of reductions in the bank levy. The cut in the bank levy is in effect a tax giveaway to the big banks and is worth £1 billion in 2018 alone. Given that that comes at the same time as the Government’s baffling decision to sell £1 billion in 2018 alone. Given that that research showed that just 13% of SMEs felt that they could trust their bank to do the right thing for their business. That is no good for the banks or for us as politicians and it is certainly no good for the businesses that feel that way.

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Angus Brendan MacNeil: Given the state of flux in UK politics, it is perfectly possible that within a year the hon. Gentleman could be sitting in the Minister’s seat. What would he do about all those branch closures if he were?

Jonathan Reynolds: First, I am very grateful to the hon. Gentleman for suggesting that such a promotion might be possible. It is not something we can take for granted, but I will specifically address the RBS branch closures later in my speech. I want to make the point at this stage that rightly, and for a variety of reasons, the British public are questioning the return that they have got for their investment in the banking sector.

Much of this debate has been about branch closures. I think that everyone in the debate has admitted that we are in a time when the banking sector is undergoing considerable technological change. The exciting bit of that is the potential to deploy some of the advances for the benefit of those people who have had trouble interacting with the traditional banking system. It always confounds me that this country can play host to the most successful and most global financial sector in the world, yet at the same time we have such high levels of financial exclusion. More than 1.5 million people remain entirely unbanked. In many cases, how the traditional banking system has worked has compounded the problems rather than seeking to solve them.

I want to see new technology give us new ways to address financial exclusion, rather than being used as an excuse to push more people towards the excluded position. There is no doubt that the reports that the sector itself is looking into show how low-cost, flexible and accessible services can be provided to people who are excluded. Doreming, for example, allows individuals to shop without access to a bank account. We want to work with both the banking sector and regulators to ensure that such initiatives can access a level playing field, with the right safeguards for those who use them. When I talk to people in the financial sector, they show huge enthusiasm and passion for using their expertise to make the sector world leading and to address some of these issues. However, 10 years on from the financial crisis, rather than having that moment of reflection and seeing what new opportunities we could use to tackle financial exclusion, debates such as this, about the sense that banking is being removed from more and more people, seem to dominate.

It is crucial that we use technology to benefit all consumers, rather than creating a pared down, automated banking sector that leaves vulnerable customers without the support they need or that gives us a situation akin to what we see in the energy market, where a small group of savvy consumers get quite good deals, but at the cost of a larger group of people subsidising them and getting quite a poor deal.

Specifically on branch closures, there is no doubt that the branch network has been shrinking at an accelerating rate. In December 2016, Which? reported that more than 1,000 branches of major banks had closed between January 2015 and January 2017, with nearly 500 more set to be axed in 2017. We have seen from recent announcements by the Yorkshire Building Society and, more dramatically, by RBS, which plans to close 259 branches, just how much that is accelerating. As I said, this has affected my own constituency: Mosley, Stalybridge and Hyde have all seen branch closures. But frankly, the scale of some of the stories that hon. Members have shared today has been quite shocking. I want to say clearly that we believe the scale of the closures is disproportionate and unwarranted and should be reconsidered. In 2015, the big four high street banks made profits of more than £11 billion from their retail businesses, which own and operate the high street networks.

Research conducted by the Social Market Foundation in 2016 found that a strong consumer appetite remains for a physical presence when banking. Nearly two thirds of consumers would prefer to talk to someone face to face when making a big decision, and nearly half of those who had visited a branch in the previous 12 months said that that was for reassurance and support with more complicated transactions. The report found that 11% of the population—nearly 7 million people—use no other banking service than their local high street branch and that those people are overwhelmingly older and less affluent. Another study found that lending to small businesses in the postcode area actually fell following a local branch closure—that has to be of concern.

If you bear with me, Mr Gapes, I will conclude in a moment, but I want to say specifically that Labour’s answer to this problem is that we propose to change in the legislation regulating banks, so that no closure can take place without appropriate local consultation—not a tick-box exercise—and without Financial Conduct Authority approval.
A future Labour Government would oblige banks to undertake a consultation with all customers and to ensure they involve representatives of the relevant local council. The branch would be mandated to publish details of the reason for closure and include the relevant financial calculations showing the revenues and costs of each branch affected. The share of central costs such as accounting systems, IT, cyber-security and personnel allocated would have to be separately identified, especially as many of these costs are relatively fixed and are not proportionate to the number of branches in the network.

I thought the suggestion from my hon. Friend the Member for Bishop Auckland is absolutely the right one and I have considered it for some time, that is, how, when branches leave the high street, the sector can come together to provide a joint solution. Those of us who use online banking recognise that there will parts of our lives in the future when we might no longer be able to do that—whether because of dementia or Alzheimer’s—and we need a solution.

In conclusion, Britain has a world-leading and robust banking system, but the banks must work with all of us, as policy makers, to tackle problems such as the lack of investment in this country and financial exclusion, and crucially to make sure that we move away from a country mired in personal debt to one with robust savings. Only when they are able to do that and show that their branch networks are part of that, will they be able to restore some of the faith that was lost in the sector 10 years ago.

4.21 pm

The Economic Secretary to the Treasury (John Glen):

It is a pleasure to serve under your chairmanship, Mr Gapes. I thank the hon. Member for East Lothian (Martin Whitfield) and my hon. Friend the Member for Stirling (Stephen Kerr) for securing this debate. I recognise the 10 passionate speeches we have had from the Back Benches and acknowledge the Backbench Business Committee for allowing the debate. I am glad that we can discuss such an important topic as I represent the Government for the first time as Economic Secretary to the Treasury.

It is clear—we all agree—that banks play an important role in our communities and that their services make a valuable everyday difference to millions of individuals, consumers and businesses. I will try to respond to some of the points made and set out some of the areas where I think there are some positives, before I conclude.

Banks exist to help us achieve our goals in life: a rung on the housing ladder, starting a new business, paying in that first pay cheque or saving for that first family holiday. We have heard a lot about the closure of physical branches and I feel that frustration, which has been expressed in my own constituency mailbag this week with the closure of Lloyds bank in Wilton, just outside Salisbury.

I acknowledge the frustration that so many hon. Members have expressed and that their constituents have passed on to them. It is frustrating and disappointing. The closures represent inconvenience and interruption in the pattern of local daily life. It also feels like a greater challenge in a community’s identity—a point made by a number of colleagues this afternoon—particularly in areas where local amenities are limited. That can sometimes be part of a wider changing profile for the high streets and there are a number of challenges that need to be overcome.

I understand hon. Members’ concerns about the announcement that RBS and other banks have made in recent months, and it is right and natural for those who represent the community to ask why those closures must take place. However, I need to be clear at the outset, before I can look at some of the mitigating measures, that these are, despite what we might hope, commercial decisions for each bank to take without Government intervention.

Brendan O’Hara: Will the Minister confirm that the Government can intervene if they wish to but have chosen not to do so?

John Glen: I will come in a moment to express where the intervention can take place and where that responsibility lies, but first I want to refer to some of the cases made in the debate.

The hon. Member for East Lothian referred to a bank branch closure where the nearest branch is 12 miles away, but there is a Lloyds bank within walking distance. I also want to refer to the point that the hon. Member for Bassetlaw (Jonathan Edwards) made about the alternative of ATMs. I believe that it is important that we try to respond to some of the points made, so let me progress. He and another hon. Member made the point about cash deposits at post offices. All post offices can take cash deposits up to £2,000, which covers 95% of transactions, but arrangements can be made by a bank with a post office should customers wish regularly to deposit more.

My hon. Friend the Member for Ochil and South Perthshire (Luke Graham) intervened and talked about the branch in Alloa. There is a Yorkshire Building Society bank within walking distance. In Kinross, there is a TSB within walking distance. I would encourage constituents to vote with their feet. I may be destroying shareholder value in RBS and therefore the Government, but we should make clear where there are alternatives, because they do exist. The hon. Member for Argyll and Bute (Brendan O’Hara) referred to closures in his constituency—I think it was Campbeltown. There is a Halifax branch within walking distance. In Rothesay, there is a TSB within walking distance—[Interruption.] I can concede—I am not going to give way, I have very limited time.

Mike Gapes (in the Chair): Order. I would be grateful if Members did not shout. We have limited time and the Minister should be allowed to respond without being shouted at.

John Glen: Thank you, Mr Gapes. If I am going to get through and give some detail, I need to press on. The point I am making is that, in a number of cases, alternatives are available. I want to make that clear—it needs to be made clear by us to our constituents.

The hon. Member for Bishop Auckland (Helen Goodman) and another hon. Member made a constructive suggestion about shared premises. That is obviously a decision for individual banks to consider, but through the office that I hold I would encourage the industry to think creatively about how banks can continue to serve their customers and minimise the impact of bank closures. Those are certainly conversations that I will take forward in my engagement with the industry.
Let me get back to the script, as it were, and try to make some progress so that I can address some of the issues that have been raised.

Angus Brendan MacNeil: Before the Minister goes on, will he give way?

John Glen: I will not, if the hon. Gentleman does not mind. I realise that his constituency is perhaps unique in the United Kingdom, and I acknowledge that those alternatives are not going to be available in every circumstance, but that was not my purpose in making that point. What I am trying to say is that there are alternatives and we should be talking about them.

The responsibility of banks is to consider the impact of closures on a community and to mitigate that wherever possible, but as we have heard today, and as the title of the debate suggests, banks are much more than just bricks and mortar. Their contribution to our economies and communities does and should go much wider: providing basic bank accounts to those who need them; providing the mortgages that help young people to get their first step on the housing ladder; and offering financial education.

I will now set out some of the ways in which banks are developing and evolving. Like all businesses, they must adapt to changing customer behaviour. The industry estimates that branch visits have fallen by roughly a third since 2011, just seven years ago. Three times out of five, when customers need to make a payment or otherwise interact with their current account, they use a mobile to do it. It is easier and quicker than it has ever been before to manage our money in that way. We are much less likely to use a physical branch on a regular basis, and that has driven some of these decisions. The banks’ branch networks are changing to reflect that, and I suspect that trend will continue.

Earlier this year, we saw the implementation of open banking, a new initiative that will transform how we are able to manage our finances, unlocking new opportunities for businesses and consumers. Good-quality broadband is important to ensure that these innovations do not leave anyone behind. That is why the Government are taking action to support access to these new digital services. The new universal service obligation on high-speed broadband will give everyone in the UK access to speeds of at least 10 megabits per second by 2020, which should play a big role in enabling some more of these services.

We are supporting customers who still need or want to bank in person. The Government support the industry’s access to banking standard, which commits to providing a minimum of three months’ notice. Some banks are giving longer periods—I believe that RBS was giving six months’ notice of closures in December. I note the observations of some Members on the inadequacy of that process, to which the banks will need to respond, but there is a practical way that we can shape the banks’ approach in a local area. The access to banking standard is overseen by the independent Lending Standards Board. It will monitor how banks, including RBS, fulfil their obligations to their customers under the standard, and it is responsible for enforcement.

The Government have supported improved face-to-face banking services at the post office, which is a critical element. The post office network is in good health, and the number of branches grew significantly in 2017 for the second year running. As a courtesy, I need to make way for the hon. Member for East Lothian to respond to the debate.

4.29 pm

Martin Whitfield: I am grateful to the Minister. In the short time we have left, I express my thanks to the hon. Member for Stirling (Stephen Kerr) for being the first co-sponsor for this debate. We have had an interesting debate—

Mike Gapes (in the Chair): Order.

4.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Childcare Vouchers

4.30 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered e-petition 200585 relating to childcare vouchers.

I am pleased to serve under your chairmanship, Mr Bailey, and to lead this debate as a member of the Petitions Committee. I must also declare an interest as a beneficiary of the childcare vouchers scheme.

The e-petition, entitled “Keep childcare vouchers open beyond April 2018”, was signed by more than 116,000 people, including almost 400 across my own city. It reads:

“Hundreds of thousands of parents will lose out under the new tax-free childcare. The voucher schemes should be kept open alongside tax-free childcare to give parents a genuine choice for the support that best suits their family.”

The creator of the e-petition, Ellie Symonds-Lloyd, is in the gallery with her family. I am particularly pleased to be leading this debate, given the importance of the wider issue to our society and to the economy as a whole. Increasing the availability of affordable childcare, particularly for younger children, is one of the key issues for many of Britain’s families, with a huge impact on their standard of living.

As the Joseph Rowntree Foundation highlighted after the publication of the 2017 childcare survey by the Family and Childcare Trust last March:

“The biggest cost for many working households with children, after housing, is childcare. The cost of all types of childcare has risen much faster than overall inflation. The cost of childcare can affect the real increase in disposable income gained by a parent taking a job or working for more hours. This can affect families’ living standards directly and also indirectly by influencing whether parents work at all, what jobs they take and how much they work.”

The Family and Childcare Trust commented:

“British parents now pay an eye-watering average of £116 per week for a part-time nursery place—or over £6,000 every year—more than double what families spend on food and drink. It is a disgrace that so many parents are effectively shut out of the workplace by crippling childcare costs. Recent Governments have rightfully invested in childcare, but too many parents are still struggling to find and pay for childcare that they and their children need.”

Alex Cunningham (Stockton North) (Lab): I am pleased to have the opportunity to debate this issue. Does my hon. Friend recollect that when we were both on the Childcare Bill Committee, there was much discussion of the costs associated with provision for disabled children? It is therefore all the more important that we place on the record how tremendous the additional pressure is on parents in such circumstances.

Catherine McKinnell: My hon. Friend is right. Some of the changes introduced by the Government have been positive in that regard, but far more still needs to be done to support families with disabled children. He is absolutely right to raise the issue so early in the debate, and I will return to it as we progress.

It is critical, if we are to tackle increasing rates of child poverty and a lack of social mobility, that we address this issue. Increasing the availability of good-quality, affordable childcare clearly enables more parents to get into or return to work or access education and training, while also improving educational outcomes for their children. It is not just an issue for individual families; it is of critical importance to our whole economy and our productivity levels.

That is why the Treasury Committee, of which I am a member, recently announced that we will be holding an inquiry into childcare policy and its influence on the economy. While examining the role that high-quality, accessible, flexible and affordable childcare can play in supporting labour productivity, our inquiry will also scrutinise the processes for delivering childcare schemes and the overall package of Government initiatives aimed at making childcare affordable, as well as how the individual initiatives interact with each other and their effectiveness and whether they have delivered an adequate provision of affordable childcare that facilitates parental employment.

I am delighted that we will be investigating that crucial issue. As the Family and Childcare Trust has commented:

“Childcare is as vital as the roads and rail network for helping our country to run.”

I am not quite sure whether the Government have fully made that link, given that childcare received the briefest of mentions in the recently published industrial strategy, and no mention whatsoever in the autumn Budget speech, despite the Chancellor’s stated commitment to tackling the UK’s poor and downgraded productivity levels.

There is a raft of early years and childcare-related concerns that I could touch on, starting with the cuts to Sure Start. Funding for Sure Start services has fallen by a staggering 46% since 2010 across the north-east, which is my region. Parents were promised that 30 hours of free childcare would be in place for their three and four-year-olds by last September, but the Pre-School Learning Alliance recently reported that 18% of families registering for the scheme still cannot access that support. The long-term sustainability of the childcare sector is also at risk due to underfunding—more than 1,100 nurseries and childminders have gone out of business since 2015. However, this debate focuses on childcare vouchers and the new system of tax-free childcare, and whether one must replace the other, or indeed whether the two can coexist.

As hon. Members will be aware, the childcare voucher scheme was introduced in 2005 under the Labour Government, as part of the wider system of employer-supported childcare. Working parents signing up to the childcare voucher scheme agree to sacrifice up to £55 of national insurance deductions, receiving in exchange a childcare allowance that can be used to pay for Ofsted-registered childcare providers—nurseries, childminders, pre-schools, after-school clubs or holiday schemes—for children aged up to 15, or up to 16 for children with a disability. That equates to a maximum saving of £77.76 per month.
per parent for basic rate taxpayers, or £1,866 per year for a working couple who are both in receipt of childcare vouchers.

The Childcare Voucher Providers Association calculates that some 780,000 parents are currently using vouchers, with millions of parents having received support since the scheme was introduced almost 13 years ago. According to a Library briefing paper, the Government state that more than 50,000 employers offer childcare vouchers to their staff, which the CVPA estimates equates to between 20 million and 26 million of the 31 million UK employees working for organisations that offer the scheme. Indeed, one of the benefits of childcare vouchers has been that employers have used their membership of the voucher scheme as an incentive to attract potential staff, which has helped organisations to recognise the importance of childcare and family life for their workforce, often leading them to consider what more they can do to support the working parents they employ. The CVPA highlights that childcare vouchers are the second most popular company benefit; only workplace pensions, which employers must offer by law, are more popular.

However, there are a number of well-documented flaws in the current childcare voucher scheme. A person’s ability to receive that support depends on their employer being registered for the scheme, which means that those whose employers are not registered cannot receive it. That includes the ever-increasing number of self-employed people in our economy, which the membership organisation IPSE, the Association of Independent Professional and the Self Employed, estimates at around 4.8 million people in the UK.

A further concern is that the level of support available per family via childcare vouchers is linked to the number of parents, rather than the number of children. For example, a lone parent with three young children working full-time and facing high childcare costs is entitled to less tax relief than a couple, both claiming vouchers, with one older child who only attends an after-school club twice a week.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend mentioned lone parents. I wanted to flag the launch last week of a new all-party parliamentary group on single-parent families. There are all-party groups for every subject under the sun, but this is the first time that anyone has managed to create one on this subject. It is a fairly common form of family nowadays: according to figures from Gingerbread, more than 51% of families in some London seats are single-parent families. People talk about a benefits trap. Under tax-free childcare, some lower-paid single parents will automatically lose tax credits and universal credit. Does my hon. Friend not agree that the systems must be worked out better, so as to apply to all forms of family?

Catherine McKinnell: My hon. Friend makes a crucial point and I will go on to highlight that key concern. She is right that we must focus on all types of families, not just the notional two-parent family that this childcare scheme seems to benefit most.

As I have outlined, there are many downsides to the voucher scheme, which the Government cited to justify the introduction of the tax-free childcare alternative that was announced in March 2013. At that time, Ministers pledged that the new scheme would be phased in from autumn 2015 and that it would be available to families where all parents were in work and each earned less than £150,000 per year, as long as they were not in receipt of support for their childcare costs via tax credits or, when introduced, universal credit, as mentioned by my hon. Friend the Member for Ealing Central and Acton (Dr Huq). Such families would receive 20% of their annual childcare costs up to a fixed limit, which was set at £6,000 per child, so parents would receive a payment of up to £1,200 per child per year. Eventually, that would cover all children aged up to 12, or up to 17 for children with disabilities.

Tax-free childcare is entirely independent of the parent’s employer, thereby dealing with the problems associated with the requirement for organisations to be registered for childcare vouchers. The value of the support available is linked to the number of children in the family and, therefore, to the likely childcare costs rather than to the number of eligible parents.

In March 2014 the Government published the outcome of their consultation into how tax-free childcare would work. They stated that the scheme was still on track to roll out from autumn 2015; that it would be rolled out much more quickly than previously announced so that all parents with children aged up to 12 would be covered in the first year; and that they would provide 20% of support for childcare costs up to £10,000 per year per child instead of the previous limit of up to £6,000, which equates to support of up to £2,000 per child per year, or £4,000 per year for disabled children.

Crucially, the Government confirmed that although existing members of childcare voucher schemes could choose to remain in receipt of vouchers, those schemes would close to new entrants once tax-free childcare was introduced. Quite understandably, it would not be possible for parents to benefit from both.

However, the original timescale for the introduction of tax-free childcare was significantly pushed back, partly due to the unsuccessful legal challenge from childcare voucher providers who were unhappy about the way in which the contract was awarded to National Savings and Investments. That meant that the new scheme could not be rolled out until April 2017, and then only for children born on or after 1 April 2013.

Eligibility requirements for tax-free childcare also changed. Each parent must now earn less than £100,000 per year to receive the support instead of the £150,000 limit previously envisaged. In addition, to access tax-free childcare, eligible parents must open an online account through the Childcare Choices website, pay money towards their childcare costs into that account, and have those payments topped up automatically by the Government at a rate of 20p for every 80p paid in by the parent, subject to the maximum limit. Parents then allocate that money to the qualifying childcare provider of their choice and the account provider makes the payment directly to that provider.

The ability for other parties to make contributions to those accounts and for parents to withdraw money from their childcare account—minus the Government’s contributions—should they need to do so, is clearly an advantage over the childcare voucher system. However, as we all know, the Childcare Choices website has been beset by technical difficulties since it launched in spring 2017 and many parents have been unable to access their tax-free childcare account or the 30 hours of free childcare that the website also supports.
As a consequence, Ministers confirmed to the House on 15 November that tax-free childcare would be rolled out for children aged six or under on 24 November. The assumption was that it would not be available to children aged 12 and under until the end of March 2018. That anticipated schedule has changed again, however: the Chief Secretary to the Treasury confirmed this morning—coincidentally—by written ministerial statement, that the scheme will be open to children aged nine and under from today and that all remaining eligible families will be able to access it from 14 February. If all that represents a simplification of the childcare support system, I would be interested to see how the Government could make it more complicated.

In July, the Financial Times’ personal finance, digital and communities editor, Lucy Warwick-Ching, published an article, “Why tax-free childcare account website makes me want to bawl”, that succinctly summed up the situation. She commented:

“What do you get when you take one frazzled parent and sit them in front of an officious government website? Answer: confusion. Add technical glitches to the mix and that bewilderment quickly turns to anger and frustration... No matter what time of day or night I tried to sign up, things kept going wrong. Once I had found the correct web page I had multiple problems logging on.

First, I had to set up a username and password. Then HMRC set me up with a government gateway user ID (via my mobile phone and email). This is a 12-digit number which you will need every time I log in... (you will need both parents’ national insurance numbers, payslips and/or your passport details—plus details of parental employment). If you go away to look for any of these, guess what happens? The website logs you out.

The last straw was the failure of the website. Even when I had the documents to hand, it repeatedly kicked me out, citing ‘technical difficulties’ and directed me to the government helpline instead... I finally managed to sign up to the tax-free childcare account. Can I sit back and relax now? No chance. HMRC says I must ‘manage’ my childcare service account, reconfirming my eligibility (by filling in a form) every three months.

If one of its aims is to encourage parents to stay in work, the new system appears to fail woefully short. Without rapid improvement, it risks becoming another chapter of disappointment in the saga of digital government.”

Crucially, the author highlighted that it is not possible to avoid those issues by signing up via post or over the phone; it must be done online. That leads me to ask the Minister: how many parents eligible to receive tax-free childcare will be prevented from receiving that support because they do not have easy, regular, and—crucially, given the type of data being provided—secure access to the internet?

When I was a member of the Finance Bill Committee in 2014, alongside my hon. Friend the Member for Stockton North (Alex Cunningham), I asked the then Exchequer Secretary to the Treasury, the right hon. Member for Witham (Priti Patel), how many families would lose out as a result of that requirement. I received the answer that the Government estimated that as many as 9% of those eligible—up to 200,000 parents—did not have access to the internet, and therefore would be unable to receive tax-free childcare. Will the Minister set out whether that figure has changed and, if not, explain what the Government intend to do about it?

Concerns around the tax-free childcare scheme are not restricted to its digital woes but include the inescapable fact that it provides the greatest benefits to families who can afford to spend the most on childcare, because it is effectively linked to parents’ expenditure rather than income. That could mean that some families, such as a lone parent of two disabled children with high childcare costs, receive more support than under vouchers, which I strongly welcome, or that a couple earning a joint income of £195,000 receive £2,000 towards the costs of their childcare.

As the CVPA has pointed out, the way that tax-free childcare is structured means that it disproportionately favours wealthier families living in London and the south-east, who are more likely to have higher childcare costs and be higher earners. Tax-free childcare provides the same rate of saving on childcare costs irrespective of income—whether a family earns £240 per week or just under £200,000 per year.

Ruth George (High Peak) (Lab): I must declare an interest, as my husband and I both claimed childcare vouchers when our two children were young, after I had gone back to work and needed to support our children through childcare while on a very average wage. I certainly would not have been able to do that without childcare vouchers, and I know from working with retail workers in Tesco and the Co-op, who also have access to childcare vouchers, that they are in the same boat. Does my hon. Friend agree that in order to keep women in work it is very important to allow the voucher scheme to continue?

Catherine McKinnell: My hon. Friend makes the point very well, because ordinary working families are more likely to be better off using childcare vouchers than using tax-free childcare. The vouchers are tapered, so that basic rate taxpayers save more than higher rate taxpayers, who in turn save more than additional rate taxpayers. Also, as we have already touched upon, lower-income families can benefit from accessing childcare vouchers alongside other forms of support for working families, including working tax credits and universal credit, while those using tax-free childcare cannot.

Crucially, tax-free childcare requires all parents in the family to be in work within each three-month qualifying period, meaning that any change in circumstances, for example one parent leaving work to care for an elderly relative, results in the family losing all eligibility for childcare support. That is not the case with childcare vouchers.

So how popular is tax-free childcare proving? The Office for Budget Responsibility has previously estimated that the tax-free childcare case load would reach 415,000 by October 2017. Instead, the case load was just 30,000 by that point. We were informed in today’s timely written statement by the Chief Secretary to the Treasury that the figure now stands at 170,000, which is still well below half the number forecast by the OBR for October last year. It would be helpful to have an explanation from the Minister about the ongoing issues with take-up of this flagship policy. I would be particularly interested to know what proportion of eligible self-employed parents have registered for tax-free childcare to date, given that an increase in uptake is one of the main reasons cited for moving to the new system.

When I challenged the Chancellor on the uptake in the Treasury Committee shortly after his autumn Budget, he said:

“There have been some IT issues around the early rollout of the programme. It is in a much better place now. The Government have not yet conducted a paid-for advertising campaign to raise awareness of the tax-free childcare programme. We are doing
social media advertising, but not a wider paid-for programme. There will be such a programme in the new year, and we expect that to increase registrations and use of the programme.”

Tellingly, he went on to say that “it is also the case that the childcare vouchers scheme closes to new entrants in April next year. Once that scheme closes, because the tax-free childcare scheme will then become the most attractive scheme available to parents, we expect that that will increase the level of interest and take-up of the scheme as well.”

He also said: “The voucher scheme is closing next year, and we expect that uptake of the tax-free childcare scheme will then increase. At the moment, they are alternatives to each other. There will be one route available.”

In other words, the Government accept that the only way to make tax-free childcare more attractive than the childcare vouchers scheme is to close the childcare voucher scheme to new entrants, forcing people to register for tax-free childcare instead.

In conclusion, this debate could perhaps be best summed up by early-day motion 755, which was tabled earlier this month by the hon. Member for Brighton, Pavilion (Caroline Lucas) and has now been signed by around 50 hon. Members, including myself. It states:

“That this House notes that childcare vouchers are a widely-used benefit that are popular with parents and employers alike, with more than 60,000 businesses of all sizes offering vouchers to more than 750,000 parents; further notes that, with childcare costs having risen faster than incomes in recent years, a large majority of parents still find their decision to work dependent on the availability of good quality, affordable childcare; regrets the Government’s decision to close childcare vouchers to new entrants from April 2018; is concerned that the lack of any formal role for employers in the new Tax-Free Childcare scheme will lead to falling levels of engagement by employers in the support of working parents around their work-life balance and childcare needs; calls on the Government to keep childcare vouchers open alongside Tax-Free Childcare, so that parents can choose the scheme that is most suitable to their needs and offers the most support to their family; and further calls on the Government to consider how childcare vouchers could be extended to the self-employed.”

Like the instigators of the petition, the early-day motion is not arguing against tax-free childcare; it simply calls on the Government to allow childcare vouchers to co-exist alongside tax-free childcare for new entrants and existing recipients alike, to enable families to make a choice about the form of childcare that best suits their individual circumstances and their families’ needs, and that is a call that I support.

4.54 pm

Emma Little Pengelly (Belfast South) (DUP): I welcome this debate. I will speak from a Northern Ireland perspective and contribute to it in that regard, but many of the issues are relevant across the United Kingdom.

In Northern Ireland, as across the rest of the UK, childcare costs are one of the most significant challenges faced by young and working families. Affordable childcare comes up time and time again when I talk to parents, when I rap on the doors and when I listen to constituents, because of the significant burden that it puts on young families and working parents.

I worked as a policy adviser to the First Minister of Northern Ireland for around 10 years and had the privilege to have policy responsibility for childcare and affordable childcare. I have sympathy with the Treasury and others who have worked on this problem because it is very difficult to find solutions. One of the issues that came across very strongly in the Office of the First Minister and Deputy First Minister was that the complexity of the problem is partly because of the different variables of the families who need childcare within the overall cohort. There is no one solution that fits all, which is critical when it comes to childcare vouchers.

From that work and from listening to parents, I am absolutely convinced that we need a comprehensive and holistic range of solutions to address the market challenges faced by parents. The reality is that families requiring childcare come in so many different varieties—I will touch on just some of those different types of families and how they are impacted. The variety of incomes and situations has been outlined well—single-parent families, families with two parents working, unemployed families and families with one parent working—so I do not want to go into too much detail. However, I will touch on the range of different families and the challenges that they face. I will do so because I believe that, dependent on the variables, there are good policy reasons why there needs to be a set of tailored solutions for all of those groups and not just for one or two of the groups within the overall cohort.

I am strongly convinced that there needs to be not just a Northern Ireland solution or a Scottish solution or an English solution. We need a United Kingdom solution that provides affordable, good-quality and accessible childcare for all families.

I preface my comments by agreeing with those already made. The childcare vouchers system was not a perfect system—I know that from looking at it from a Government Department perspective and from listening to parents—but flaws within a process can be addressed. The existence of such flaws is not a good reason to throw out the scheme and impact detrimentally on a significant number of parents, including in my own constituency of Belfast South, where well over 200 parents have signed the petition that is the basis of the debate.

Low-income working families—single-income families or families with two very low incomes—is very much the group at which tax-free childcare was targeted. Undoubtedly, that group requires the most support and help in terms of a Government intervention—hon. Members from all parties would agree with that. We need to keep those low-income families in work, and also to keep them progressing and advancing so that they move out of being a low-income family and in to being a middle-income family.

There is no doubt that childcare is a significant barrier for those low-income families. It is not just a barrier in terms of the normal nine to five. Again, I know that we will all be aware of this, but many of those low-income families work in shift-work, work at night and work at weekends, whether they are nurses, care assistants or working in Tesco or other stores. It can be even more challenging for them to find childcare that is flexible, accessible and affordable outside what would be termed normal working hours. We want and need to support those families, which, for me, are a priority group.

I commend the efforts that have been made to look at tax-free childcare, acknowledging the complexity of the childcare voucher system and how it is dependent on employers. I welcome how the new initiative has been framed to target and support those parents. However,
that some parents might lose their eligibility for tax credits or universal credit if they claim tax-free childcare seems, to many, absolutely bizarre—it makes little or no sense. It is not clear whether the flaw is in the system, but an urgent examination is needed. I suggest that the scheduled closure of the childcare voucher scheme be delayed to enable all the issues to be identified and considered in detail.

The second group is unemployed parents or those on very low incomes. When looking at the policy area of affordable childcare, it did not strike me that that group required childcare, but when I went out to speak to parents—to groups working within communities—they made it clear that the lack of affordable childcare was a barrier to getting qualifications, doing apprenticeships, and accessing and fully participating in the range of back-to-work and into-work schemes they need to get on to the first step of being a working family. In particular, it was a significant barrier for women in their late teens and early 20s who were single parents. I give huge credit to the many groups across Belfast and Northern Ireland—and, I am sure, across the United Kingdom—that have found creative ways to support those groups to bring them up with settings that can provide affordable childcare.

The second issue that became very clear when talking to people in this cohort—families facing challenges, teenage parents, and unemployed parents, with perhaps transgenerational unemployment—was the huge benefit to child development of a good-quality childcare setting. I am passionate about tackling educational under-achievement, and what has struck me starkly in my work in that area is that, if a child is a certain percentage behind at the age of three or four, that continues to be the case right through primary school and post-primary, unless there is significant intervention. Early intervention is critical, and a huge amount of evidence shows that a good-quality childcare setting is absolutely instrumental in supporting a child’s development. It is an invest-to-save policy: we are investing in early education, which will hopefully prevent the need for significant educational intervention at a later stage. There is no doubt that the affordability of childcare contributes to a positive culture where a parent is motivated to seek work. We need to ask how we can remove the barrier of childcare. Looking at affordability and accessibility is critical. It is also important to offer that cohort of families support and a solution within a holistic childcare setting.

I thank Employers for Childcare, which has been a huge support right from when I started working on childcare policy, feeding through data and information to parents and encouraging knowledge about childcare vouchers and other initiatives. It has supported huge numbers of families in Northern Ireland to take up childcare vouchers in a flawed system that was very complicated for parents. It has also encouraged employers to offer the scheme to their employees.

Finally, the group I believe is most affected by the proposed scheme closure is what would be termed the middle-income families. We know, as do I from talking to families in my constituency, that those families often feel the pressures and the squeeze, particularly if they have two or three children requiring childcare. Childcare is a huge cost for families who are struggling to pay their mortgages and are fearful about what will happen, with bills going up. They pay a huge range of bills and are under a lot of pressure.

A big issue here is keeping women in the workplace. Unfortunately, all the evidence indicates that it is still very much the case that, when it comes to caring responsibilities, it is much more likely the woman who decides to opt out of the workplace to look after children. When we looked at the research in Northern Ireland, those women were third-level educated with good qualifications—perhaps working as teachers or in other professions. The Government had invested right across the United Kingdom in that third-level education, and yet women were having to make a choice. They said to me: “I’m simply working to pay the childminder, to pay for childcare. There’s such a small margin that it’s not worth my while, so I’ll opt out of the workforce to look after the children”. We need to avoid that, for a number of reasons. As has been indicated, to grow our economy and productivity we need to keep those strong, intelligent, capable women in our workforce, and contributing to our economy. There has been investment in third-level education, and losing those women from the workforce is detrimental to the economy.

The second issue is gender equal pay. When we looked into that, it came out that caring responsibilities affect women’s decision to go part-time. Women tend to incur childcare costs or to opt out of their employment setting in their 20s and 30s, before coming back in their late 30s and early 40s. They miss a significant amount of time, during which their male colleagues get promotions and apply for managerial positions. In highly skilled and professional posts, that is a huge factor in the gender pay gap. We want, and I think we need, women to stay within the workforce, build their careers and apply for managerial and board positions as appropriate, as opposed to losing at least five if not 10 or more years of their working lives. The third issue is that a significant percentage of women who come back into the workplace decide to come in part time, and we know that part-time work is a significant factor in the gender pay gap.

In summary, middle-income families, for a range of reasons, are squeezed and are under huge pressure and we need to look at solutions for them. There is an agreement that there is a market dysfunctionality, in relation to childcare and parental leave, and that is an important issue in equal gender participation in the workforce and in the roll-out of tax-free childcare. It has become apparent that a number of families—not particularly high-income families—will be worse off, and issues need to be addressed regarding the targeting of the roll-out for that group.

Those two fundamental issues should at least give the Government something to think about in relation to pushing back the proposed closure to allow for a full inquiry—I understand an inquiry is taking place—and to have conversations and discussions about how we introduce a truly holistic and comprehensive childcare strategy that deals with all the variables and component parts, in order to grow our economy and support all our hardworking families across the United Kingdom.

5.8 pm

Alex Cunningham (Stockton North) (Lab): It is a pleasure to speak under your chairmanship, Mr Bailey. I congratulate the hon. Member for Belfast South (Emma Little Pengelly) on her wide-ranging and thorough speech, and my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on her opening speech, which clearly demonstrated that she understands
the issues and has tremendous knowledge in this area. I wish the new Minister, who I think is the third Children's Minister we have had—I suspect he is the Children's Minister.

The Economic Secretary to the Treasury (John Glen) indicated dissent.

Alex Cunningham: He is not the Children's Minister. I understand that we do have a new Children's Minister, but I am sure that the Treasury Minister wants to understand childcare as much as anyone else does. Believe me, he has some way to go, being a member of the Tory Government.

Childcare delivered fairly for all children plays a major role in ensuring that no individual fails to get the chance of having a better start in life, even before they get into the school classroom. It also helps parents to realise their potential and make the most of their lives. I served as the cabinet member for children and young people at Stockton Council, and I well remember speaking with head teachers after Labour's groundbreaking Sure Start centres were developed and nursery provision was expanded beyond all recognition. They told me how children were far better equipped and ready for school than the groups that came before them. Their social skills were better, they were used to structure, they were already participating in activities and they had a level of confidence that made them ready to learn. That was all great stuff. The hon. Member for Belfast South spoke about how much more possible educational attainment is for children who have had proper childcare and proper nursery provision. We must not lose sight of that, as it drives results. We see those results in our primary schools and secondary schools today. The children coming out of secondary schools now were among the first to benefit from the Sure Start programme.

I always acknowledge that the coalition Government and the last Conservative Government helped build on Labour's legacy—children continue to benefit even more—but it is crucial that that success is not undermined by the gap between the haves and the have-nots being widened. We have always had a two-tier system. Even when Governments of the past got sensible and first offered free childcare, those who could afford more and better provision gave some children an advantage. I doubt that will ever change, but surely there is no need for the current Government to make changes that will disadvantage those least likely to be able to afford top-up fees, effectively creating a two-tier system.

When discussing areas of policy relating to childcare and the education of children, it is vital that we focus not only on cost, but on outcome. We know that the early years are one of the most formative times of a person's life and have significant influence over their development. That is why I urge the Government not to treat childcare as something that can be cut back. By cutting back or reducing access, we put a stop sign in front of the poorest children in our country. From what I see, the changes proposed around the voucher scheme will effectively do just that: reduce provision.

I have looked at the childcare voucher scheme, as other Members have—they have already talked about it—and I compared it with the tax-free childcare system that parents will have no choice but to use if they sign up after April. From my observations, tax-free childcare is considerably the less favourable of the two options. Existing users of childcare vouchers will be able to choose the system that benefits them most, whereas applicants after April will have no such choice. That creates a two-tier system, where some children will be disadvantaged, depending on the amount their parents can afford to pay.

The Prime Minister’s words on the steps of Downing Street 18 months ago are much quoted. She said:

“We will do everything we can to help anybody, whatever your background, to go as far as your talents will take you.”

It is a well-worn quote. I have to believe that those words applied to young children as much as to anyone else, and I just wonder if the Prime Minister knows how these particular proposals fly in the face of her pledge and affect the families she may have once described as “just about managing”. I doubt the new Education Secretary, with whom I served on the Education Select Committee and with whom I share a passion for early years’ provision, would really want to see his first few months in office marred by the creation of a system that was far from equal. Has he even had the chance to reconsider the policy ahead of today's debate? Since we are debating childcare vouchers, I am sure many of us would tell the Prime Minister and her new Secretary of State that the new tax-free childcare service is not fit for purpose. It does not fairly replace childcare vouchers and they should think again.

There is a real opportunity for the new Secretary of State and the new Children's Minister—it is a shame he is not here to debate with us today—to demonstrate their listening credentials and order a review of the whole policy area. Potential inequality is not just about the ability to pay; it is also very much about the status of an individual or couple. In the gig economy we are now living in, are we putting the provision for some children at risk because their parents are likely to face rapidly changing working environments? I raised that with the Minister of the day, the right hon. Member for Wittham (Priti Patel), when the policy was being developed in 2014. I said:

“For many, particularly those with fluctuating incomes such as the self-employed, or those likely to have a change in circumstances later in the year, the complexity will be so great that it is likely to be impossible to provide a better off calculator that can cover many of the situations in which claimants find themselves.”—[Official Report, 17 November 2014; Vol. 888, c. 90.]

My hon. Friend the Member for Newcastle upon Tyne North, who has spoken widely today, also spoke in that debate. She said:

“It is worth remembering that some 520,000 families currently benefit from ESC vouchers. The Government’s impact assessment sets out a number of case studies where families might be better off or, indeed, worse off under the new top-up payments.”—[Official Report, 17 November 2014; Vol. 888, c. 68.]

That was three years ago, so the Government have had enough time to find answers to those problems and inequalities.

The Childcare Vouchers Providers Association highlighted that some families will actually lose money under tax-free childcare compared with vouchers. That point has been repeated several times today, but it is worth repeating: people will lose out. Does the Minister know who will lose out and who will benefit? What is he doing about those who will lose out? Are there any
plans to ensure equality of opportunity and access to provision? What happens when a parent in the gig economy earns less than £120 week for a while? At what point do they lose that tax-free childcare? I do not know the answer to that; I hope the Minister does. It seems to me that the system is a wee bit messy and confused. Until there is proper understanding of the change to a complete tax-free childcare system, the Government should at least extend the deadline for childcare vouchers. Has the Minister or the new Secretary of State considered that?

I also note the difference regarding the age of a child receiving tax-free childcare. Vouchers can be used for children up until the September following their 15th birthday, but that figure drops to the September following their 11th birthday under the tax-free system. Can the Minister share with me the logic behind that decision? Are the Government suggesting that 11-year-olds can be left home alone while their parents are at work? Are they assuming that everybody has grandparents and other family members to stay with, or do they have to find the cash themselves to help pay for childcare? We cannot escape the fact that this all boils down to cash: the cash that the Government are prepared to invest in childcare, the cash that some parents will have to find if their children are to be looked after so that they can have peace of mind while they are at work.

Catherine McKinnell: I am very much enjoying my hon. Friend’s speech. He raises an important point that I did not elaborate on in my speech, which is the age difference between tax-free childcare and the vouchers scheme. That change seems to totally ignore the reality of equality. Why should one person at one end of a street have to pay extra money over and above what everyone else is paying. I come back to the word “equality”—we should have equality of provision for everyone. Things should not be different from one person to another. It is time not for the Government to add to the burden of some families and exacerbate inequality, but for the Treasury Minister, the new Children’s Minister and the Secretary of State to step back and think again.

5.19 pm

Ruth George (High Peak) (Lab): I thank my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for introducing this important debate, and all the people who set up and have supported the petition on childcare vouchers. I have been making this argument to hon. Members and Ministers for several years now, since tax-free childcare was first proposed. At that time I was working for the Union of Shop, Distributive and Allied Workers, and was responsible for speaking to employers about childcare vouchers. Many members of their staff benefited from the vouchers, particularly those looking to increase their level of seniority from that of a shop-floor worker, paid an hourly wage and often better off claiming tax credits, by stepping up into a management role that required much more flexibility in terms of hours. In retail, 24/7 flexibility is often required to undertake even a junior management position, so childcare is a very important factor in those decisions that are so important for parents’ social mobility and for ending child poverty in so many families.

At the moment, when parents do the sums, it all comes down to the basic family economics of whether it is worth taking an extra job. For too many parents—those who do not have access to childcare vouchers and can claim only the lower rate of relief available under tax-free childcare—taking on a junior management position paid between £18,000 and £20,000 a year is simply not worth their while. That sort of decision stops people, particularly women, single parents and second partners in a couple, increasing their family incomes, their prosperity and that of their children.

The difference between childcare vouchers and tax-free childcare—relief can be obtained at 32% under childcare vouchers, with national insurance relief as well as tax relief—is key for the majority of parents when it comes to childcare costs. As my hon. Friend the Member for Newcastle upon Tyne North said, each family can claim for costs of up to £243 a month per parent—£2,900 per year of childcare costs in a one-earner family, or up to £5,800 in a two-earner family, where the relief is at 32% under the childcare voucher scheme. Under tax-free childcare, someone may be able to claim for costs up to a much higher amount, but at the lower rate of 20%.

Families with one earner are better off under childcare vouchers if their childcare costs are less than £4,660 per year, which the vast majority are, because the average cost of childcare is, I think, £3,796 per year. Two-earner families who can both claim vouchers, with childcare costs of up to £9,320 per year, will still be better off under vouchers than tax-free childcare. The vast majority of parents will therefore be better off under childcare vouchers. It is true that some people, such as those who earn a much lower rate—those people will be better off under tax credit, or universal credit as it will be—and those who have significantly high childcare costs may be better off with tax-free childcare. However, anyone paying childcare costs of more than £9,300 per year will also be earning a significant amount.

In the current economic climate, it is particularly important that childcare vouchers are kept on, for three key reasons. First, we have seen childcare costs increase by 48% since 2008—seven times the rate at which wages have gone up. The basic economics of scale regarding whether someone can stay in work within a family and still pay for childcare have simply gone, because the costs have increased so much. It is therefore important that they can receive the higher rate of relief on the costs they pay.

Secondly, there has been reduced eligibility for in-work support since the 2010 emergency Budget, which froze working tax credit, and child tax credit rates since the
Welfare Benefits Up-rating Act 2013. Whereas a family with one child could claim tax credits up to an income of about £24,000 per year three years ago, it is now down to £22,800 per year. Under universal credit, the threshold will be £15,100 per year, above which people will not be able to claim universal credit. There is a huge group of families earning between about £15,000 and £22,000 per year that used to be able to claim in-work support, who did not need childcare vouchers and childcare support. Such support will now become crucial, enabling those parents to stay in work and to get a necessary reduction in the costs of their childcare.

Thirdly, there are the rising levels of child poverty and in-work poverty. The Child Poverty Action Group predicts that by 2020 an extra 1 million children will fall into poverty due to the reduced levels of support under universal credit. I would have thought that now more than ever it is crucial that the Government do all they possibly can to support families on low to middle incomes, to enable them to stay out of poverty and to give their children the best start in life. I therefore ask the Minister to please keep open the childcare voucher scheme that enables so many families to do that.

Steve McCabe (Birmingham, Selly Oak) (Lab): It is always a pleasure to serve under your chairmanship, Mr Bailey. I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on the comprehensive case she made in support of the petition, which is essentially about allowing parents to continue to join the employer-supported childcare scheme after April this year. As we have heard in all the contributions so far, that is basically because the existing scheme is more generous to those on lower and modest incomes than the changes that the Government propose. I will not go through all the figures again, but clearly a basic rate taxpayer in a family with one parent working does reasonably well under the childcare vouchers scheme, but not at all well under TFC. If both parents are working and paying the rate and have average childcare costs, they can expect about £1,800 under childcare vouchers, but less than half that under the new arrangements.

Another important point that has been made today is that the scheme seems to be skewed towards London and the south-east. It is a bit difficult to make sense of that, given the Prime Minister’s expressed desire to create a fairer and more just society, and the Government’s oft-repeated claims that they want to narrow regional disparities. I am not quite sure in the design stage how the Government thought they were helping by creating a scheme that would be less generous to those struggling to get by and trying to do the right thing, and why they thought it was important to skew childcare support towards those living in London and the south-east rather than in the rest of the country.

My hon. Friend the Member for Newcastle upon Tyne North said that 50,000 employers offer childcare voucher schemes, according to a Library briefing paper. I saw in another briefing that it was about 60,000. The correct figure may be somewhere in the middle—I do not know—but I think the reality is that about two thirds of employees in this country are working for businesses that offer the existing scheme. That is the important point; it is a relatively well-established scheme.

It has shortcomings, as my hon. Friend and the hon. Member for Belfast South (Emma Little Pengelly) pointed out, but in essence it is a well-supported scheme.

Employers, particularly some smaller businesses, are interested in the scheme because they argue that it has benefits for them, particularly when there are labour or skills shortages. It is a recruitment and retention tool for many of the very businesses that the Government are trying to encourage with things such as the northern powerhouse and the midlands engine—in other words, businesses outside London. Employers say that it is very easy to administer. A survey conducted by the Childcare Voucher Providers Association reported that 77% of employers said that it takes them less than 30 minutes per month to administer the scheme, so it does not exactly sound massively onerous.

In contrast, we have heard that there are problems with the policy and the technical design of the new scheme. As many hon. Members said, the Department for Education’s figures show that many families are going to be worse off under the new scheme than under the existing one. To obtain the full £2,000—the Government may not have advertised that figure widely, but it is a strapline that they have been happy to be associated with, and it is the benefit that most people will have seen to date—a family needs to be spending about £10,000 per year on childcare. Very few people on low and modest incomes are in a position to spend that sort of money, so it is obvious how skewed the scheme is.

My hon. Friend the Member for Stockton North (Alex Cunningham) made an important point about the difference in availability depending on age. As someone who spends a lot of time listening to parents and other members of the community talking about the care that needs to be taken with teenagers to ensure they do not go off the rails and that they do the things we expect of them, I am not sure how the judgment could have arisen that it is all right to provide childcare support up to the age of 11, but that after that it does not matter. My hon. Friend put that issue to the Minister, and I hope the Minister will give some kind of an explanation for that rationale, because it does not just affect this policy, but has much wider implications if it is a reflection of current Government thinking.

On the technical front, I cannot quite get my head around the figures I have seen, so I wonder whether the Minister can explain them. I am not saying that I have got them all right. The Government initially told us that about 1 million people would register and benefit from the scheme but, as my hon. Friend the Member for Newcastle upon Tyne North said, it was announced this morning that about 170,000 are registered. It does not take a genius to work out that there is a bit of a gap there, and I cannot see it being made up in the next couple of months. In addition, I understand that only about 30,000 of those who have registered can expect to receive a payment this year. That implies that the system is in a bit of difficulty. The Government have had some problems with the introduction of other schemes and programmes, and I would hate to see them go down a road that leads to another problem. Certainly, Lord Bates has indicated that he thinks that there are problems that could go on for some time.

When I was reading up on the scheme, I noticed that Ato—like Carillion, it is one of these parasitatical organisations, and of course it provided such an outstanding
service in relation to work capability assessments—is building what is being called the Childcare Choices platform. As we have heard, there are problems with that website. There are reports of the release of sensitive personal information, which will not do much for people’s confidence in the system, and of system crashes. My hon. Friend gave a startling account of one person’s difficulties with trying to access the system. That is not the way to build confidence and give people assurance.

There also seems to be some confusion relating to communication, which is reminiscent of the Government’s problems with universal credit and their communication difficulties with the WASPI women—Women Against State Pension Inequality—as they have become known. It seems that Her Majesty’s Revenue and Customs has been writing to parents to tell them that they must leave the childcare vouchers scheme in order to access the Government’s promised 30 hours of free childcare. Parents have left the scheme, only to discover that that is not actually the case, but once they have done so on the basis of that inaccurate information, they are not able to rejoin it. Can the Minister shed any light on what has happened here? Is there an investigation ongoing? How will the Government offer redress in those circumstances?

Can the Minister give us any hard information about the number of self-employed parents who will receive TFC this year and in future years? The Government argued that one of the major benefits of the new scheme is that it is more effective to introduce an entirely new scheme than to adjust childcare vouchers to accommodate the self-employed. At the moment, we have no idea whether it is having any impact at all, so it would be useful to know that.

The point is, as other hon. Members said, that we are still in the roll-out phase. HMRC has not even published the final guidance, although I understood that the whole thing was meant to be live by April, and the legislation to close the existing voucher scheme has not yet been brought before the House. There is plenty of scope to make changes, if Ministers wanted to do so, without causing massive difficulty and without anyone losing face. The intention, as I understand it, is to grandfather the existing scheme for those currently in receipt of childcare vouchers, so it is obvious that there will be a need to retain this apparatus for some time, although interestingly those currently in receipt automatically lose their rights if they happen to change job. Again, that sounds rather punitive—I am not sure that is the intention.

Would it not make sense to let the existing voucher scheme operate alongside the new TFC scheme? Would it not make sense to give people a choice? There was once a time when the Conservative party was in favour of choice—in fact, the Minister is supposed to be in favour of choice. At the very least, would it not make sense to have a longer phasing-out period so that the Government have more time to consider the changes that will naturally cause problems that the Government are already aware of?

5.39 pm

Martin Whitfield (East Lothian) (Lab): It is always a pleasure to serve under your chairmanship, Mr Bailey, and it is a particular pleasure in respect of this debate, which was brought to the Chamber through the Petitions Committee. I thank everyone who signed the petition—267 of my constituents, including Christopher Thomson, Steve Gibson, and Karen and Allen Kelly, who not only signed it but took the opportunity to write to me about how the changes will affect them as individuals and as families.

We have heard a lot about the problems, potential problems and inequity of the system that is coming down the line, so I will not rehearse those arguments, except to say that I support them. A particular inequity is that the lowest earners will be the ones who are hit hardest by the changes.

My constituents have asked me to raise a number of matters, and I am more than pleased to do so. First, I sincerely hope that we all agree that quality childcare is hugely important to this nation. There can be a 14-month difference between some children before they start school, because of their experiences and the income of the families they are growing up in. Both Governments, north and south of the border, have strongly advocated support for additional hours of childcare, which is hugely important to the future of the country. More free childcare is an easy and attractive promise to families who are struggling, but it is wrong to make that promise unless it has behind it the necessary investment. That goes for Governments both north and south of the border, as I say. It is important to this country, to families and, most of all, to children who are growing up that they have good-quality, safe childcare.

The second matter is the affordability and flexibility of the childcare needed today. As the hon. Member for Belfast South (Emma Little Pengelly) highlighted, people’s work patterns are so different from those of two or even one generation ago, and therefore the childcare system needs to be massively flexible to answer the needs of all families across the nation. I also raise the issue of internet blackspots—for the third time, I confess, in this Chamber—and problems that occur with a wholehearted shift to using the internet when the structure people need to use is not only inadequate but, at times, as some of my constituents feel, incapable of remedy. On a cautionary note, I suggest that care should be taken before rushing down the path of having another internet-based platform.

Finally, I will make a point that has been made by a number of my constituents but not yet in this debate. Childcare vouchers allow the opportunity for a discussion to take place between the employer and the employee about the needs of that specific family. As one of my constituents said, without that discussion, they would not have found out how flexible their employer was prepared to be about childcare needs; and as the employer said, they would not have been aware of the individual’s childcare responsibilities. In this day and age, when less and less face-to-face discussion takes place, and more and more problems are raised, we lose that opportunity for discussion at our peril. It is important for employers to understand and appreciate the family position of those who work for them.

In areas where there are skills shortages and employers struggle to recruit, it is important for employers to make the widest choices available. If it is right that a country and an employer should have choices, is it not right that a family has choices about the childcare provision, or funding for such provision, available to them? In 2018, is it too much to ask that that choice be made available and, if at all possible, expanded?
Christine Jardine (Edinburgh West) (LD): It is an honour, Mr Bailey, to serve under your chairmanship again. I congratulate hon. Members on the breadth of the case they have put so far. With that in mind, I will keep my remarks brief and focus them on one specific area.

Much of our time as politicians is spent finding solutions to problems, whereas at the moment we are in danger of creating a problem for which a solution is already in place. It is a solution to a problem, the cost of childcare, from which more than 75,000 parents and families benefit. As we have heard, there are clearly advantages for many parents to the new system, which was always intended to replace childcare vouchers. By sticking with the proposal, however, we will create the problem of which I speak, a problem with tax-free childcare, to which the existing childcare vouchers are the answer.

We must also remember that often those most affected by the cost of childcare are those least able to access the new system. As we have heard, to qualify for the £2,000 cash saving, families must spend £10,000, but the Department for Education has shown that the average family spend is about £3,276 a year on childcare. From my own experience of returning to work, the cost of having a child looked after pre-school or, once at school, after hours can make a major dent in a family’s income, and that cost might make it more difficult for those on lower incomes to return to work than for those on larger salaries. Indeed, they might not be able to afford to return to work at all if the proposals go ahead, because they will not be able to earn enough to reach the £10,000 threshold. Therefore, returning to work is not in their interest or best for their family. Those are the families to whom childcare vouchers make the biggest difference. Those are the families who will probably not be able to access the tax credits, because they will not spend enough to qualify.

The Liberal Democrats believe that there needs to be a more flexible system. The Government’s decision to close the voucher scheme in April of this year needs to be revisited. As other Members have said, we need to give parents the choice, the flexibility to find the scheme that best suits them. That may be tax-free childcare or childcare vouchers. I know that the vouchers were originally intended to be replaced, but surely having the schemes running side by side is evidently more sensible. That way we could provide the best, most flexible and wide-ranging support for all families needing help with childcare.

Anneliese Dodds (Oxford East) (Lab/Co-op): Thank you, Mr Bailey, for calling me to speak on behalf of the childcare vouchers scheme.

I thank my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) for introducing the debate. I also add my thanks to that of my colleagues to the tens of thousands of people who have made their opinions on this issue clear by signing the childcare vouchers petition. All those signatories have stated clearly that they are opposed to the closure of the scheme to new applicants and, as has been mentioned, to existing applicants merely because they have the misfortune of changing jobs. In addition, as colleagues have said, the petition has been echoed by early-day motion 755, which indicates that 49 Members of this House are displeased by the scheme closure scheduled for April.

I also thank my hon. Friend the Member for Batley and Spen (Tracy Brabin), who has been working hard on behalf of the Opposition to raise the profile of this issue, as well as other problems with the delivery of Government promises on childcare, not least the patchy implementation of the 30 hours’ free childcare pledge, as my hon. Friend the Member for East Lothian (Martin Whitfield) has rightly underlined.

I congratulate the hon. Member for Salisbury (John Glen) on his appointment as Economic Secretary to the Treasury, rather than as Children’s Minister. It is good to see him in this debate and I am looking forward to his response to the very detailed points made by my colleagues. Evidently, as a number of colleagues have made the point, we need a Government response on the extent to which childcare costs are outstripping wages. My hon. Friend the Member for High Peak (Ruth George) maintained that the cost of childcare has risen at seven times the rate of the increase in wages in recent years. Therefore, it is necessary for the Government to offer stretched parents more support.

I am sure that the Economic Secretary will refer to today’s announcement about the extension of tax-free childcare. I, like others, was absolutely astonished to see that announcement being made today, given the context of this debate.

I take on board the points made by colleagues that the tax-free childcare scheme benefits some parents. For some self-employed people who were not able to access the childcare vouchers scheme, there had to be some kind of new approach, although I underline the comments made by hon. Friends that we need to see figures on how many self-employed people benefit. Many will also see, to an extent, an increase in the support that they can obtain but, as my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) pointed out, most of the gainers will be those who are already better off. That is very concerning. None the less, although some people have benefited, there are still significant problems with the roll-out of tax-free childcare, some of which may be shorter run and some longer run problems. It is disappointing to see the Government going ahead with cancelling childcare vouchers for new entrants and those changing jobs and not acknowledging those continuing problems.

I do not want to go on at too much length, but I shall reprise some of the comments made by colleagues and pose questions directly to the Minister. I hope that we will have some answers to the important points. First, there are the substantial IT failures that have accompanied the provision of tax-free childcare. Unfortunately, they are very similar to the problems that have been experienced by people trying to ensure access to 30 hours’ free childcare. As we saw in the media again this morning, thousands of people have been unable to access their 30 hours for this term because of technical glitches. My hon. Friend the Member for Batley and Spen informed me that one nursery owner she is in touch with understands that one of her parents has had to call the helpline more than 100 times.

It was reassuring that the technology underlying the childcare vouchers appears to work—certainly, in my experience and that of parents I have talked to. Sadly, the
complete opposite has been the case for tax-free childcare. It shares the same platform, as colleagues have mentioned, with the delivery of the 30 hours provision and sadly, it has experienced many similar problems. We have heard many examples of those problems already. My hon. Friend the Member for Birmingham, Selly Oak talked about how he had heard that there was inappropriate release of data, which was worrying to hear. As a member of the shadow Treasury team, I have been contacted about some of those problems.

One person who contacted me said that it has been a “Kafkaesque nightmare”. He is a single parent—a widower—and he stated an issue that others have referred to:

“The government childcare service requires those who are claiming government support with childcare costs to reconfirm every three months. This requires going through a number of screens on the relevant website and pressing a button to either confirm that nothing has changed or to outline changes. The trouble is that there is a serious bug in the system.”

The bug was so serious that every time he pressed this button, it reset the system. It was a complete and utter system breakdown.

Tulip Siddiq (Hampstead and Kilburn) (Lab): My hon. Friend is making a passionate argument about why the system has failed so many families in our constituencies. Is she aware that the Childcare Voucher Providers Association said that thousands of parents will have no access to any form of childcare support come April 2018, because of the system failing? Does she share my shock and astonishment about that?

Anneliese Dodds: I absolutely share those concerns and I am grateful to my hon. Friend for mentioning that fact. There is a worrying combination of technical glitches, many of which seem to be ongoing and many of which have lost parents thousands of pounds—we are not talking about small amounts of money. Those parents are so frustrated; they have continually contacted helplines and different team managers, who have just said, “I’m very sorry; there are technical problems that we have been raising with those more senior.”

As well as that side of the issue, as we have heard from other colleagues, many parents do not have access to the kind of internet service that they need for the application every three months. As my hon. Friend the Member for Newcastle upon Tyne North and my hon. Friend the Member for East Lothian underlined, people need a secure, reliable and high-speed internet connection every three months to make this application. Parents I have talked to have told me that this is not a one-shot application, because of the numerous technical glitches that people have experienced.

Can the Minister offer us an iron-clad guarantee that no parent will be locked out of access to tax-free childcare, either because of IT glitches or because of a lack of access to safe, secure and permanent internet services? I would be grateful if he let us know what precisely he has done or will do, given he has just got his feet under the table, to push Atos in particular to speedily resolve these very concerning technical issues. I have no doubt that these kinds of technical problems, as well as many of the others that were referred to by colleagues, offer part of the reason for the low take-up of tax-free childcare.

There are nearly 800,000 families using childcare vouchers, as my colleagues mentioned, and the vouchers are provided by more than 60,000 businesses and employers, including every Government Department. Occasionally, the Government maintain that there is a low proportion of employers offering vouchers. That is the case for one-man and one-woman bands, but if we take them and very small businesses out of the equation, there is a much higher proportion of businesses that offer childcare voucher schemes. There is an enormous gulf between the usership rate of childcare vouchers and that of tax-free childcare, even with existing restrictions.

Colleagues mentioned that the OBR report before the Budget indicated that the Government would pay out only £37 million this year for tax-free childcare, despite setting aside £800 million for it. There is also a strange issue of exactly how many people actually benefit from tax-free childcare. I am slightly confused, as are colleagues, about today’s announcement and what the figure of 170,000 referred to. In her statement, the Chief Secretary to the Treasury, maintained that 170,000 people have opened an account for tax-free childcare. I am interested to know whether those are live accounts—whether those accounts have paid anything out—because I understand that, as of November, only 60,000 accounts were actually live: a tiny proportion of the people who could have accessed the scheme have done so.

I am also concerned that the parents of disabled children may be considerably under-claiming. I was pleased that my hon. Friend the Member for Stockton North (Alex Cunningham) mentioned that, as well as my hon. Friend the Member for Newcastle upon Tyne North. I was surprised to hear in the response to a parliamentary question by my hon. Friend the Member for Batley and Spen that there are only 1,187 tax-free childcare accounts registered for disabled children. Of course, tax-free childcare is already fully rolled out for disabled children, so it would be helpful to hear the Minister’s assessment of the number of parents of disabled children who used tax-free childcare, compared with those who used vouchers, and why there is a disparity, as I expect there will be. I would also be interested to hear what the Minister has to say about the disincentive effect of the design of the tax-free childcare system. As many colleagues mentioned, parents need to pay around £10,000 into their account before they can receive the headline £2,000 per year. That enormous sum is simply impossible for the vast majority of parents to afford. It does not reflect their working patterns or their wages.

[Mark Pritchard in the Chair]

For that and other reasons, tax-free childcare will benefit people on large incomes who consume large amounts of childcare the most. As many colleagues said, the new scheme will generally leave people on lower incomes worse off. Indeed, the charity Employers for Childcare calculated that approximately 70% of the parents who approach it for help would be better off with childcare vouchers, tax credits or universal credit, or with a combination of those things, than with tax-free childcare. My hon. Friend the Member for Ealing Central and Acton (Dr Huq) rightly mentioned that the new system may negatively impact low-income single parents in particular.
Further calculations indicate that people in lower paid areas and people on lower wages generally are more likely to lose out as a result of losing access to childcare vouchers following the adoption of tax-free childcare. That is because—we might have discussed this issue more—tax-free childcare does not incorporate the progressive elements of the voucher scheme, which enables basic rate taxpayers to save more than higher rate taxpayers, who may in turn save more than additional rate taxpayers. In her insightful speech, my hon. Friend rightly mentioned. Friend the Member for High Peak pointed out some of the disbenefits of tax-free childcare for low-income parents compared with people on low incomes who are already in the voucher scheme.

I would be grateful if the Minister indicated whether any impact assessment has been undertaken of how the closure of the childcare vouchers scheme will affect people who spend an average amount—not the very high amounts in Government projections—on childcare. It would also help to hear how the Minister expects the new system to affect people on lower incomes, who will largely see the support they receive proportionately reduced by these changes. That assessment should take into account the impact on employees’ ability to progress to higher paid jobs that require them to be more flexible with their working hours, which my hon. Friend rightly mentioned.

I would also be grateful if the Minister explained how the Government are promoting activity by employers to support employees who are parents. A number of colleagues made the point that childcare vouchers start a conversation about employers’ responsibility to consider their employees’ childcare responsibilities. Along with other benefits for working parents, vouchers often play a key part in recruitment and retention. Given that we will lose the vouchers scheme, will the Minister indicate what other measures the Government are putting in place?

We also need a response to the question that my hon. Friend the Member for Stockton North asked: why is there a tighter age restriction for tax-free childcare than for childcare vouchers? Have the Government considered the impact of that on parents who want to ensure that their children are properly cared for when they are not at school? My hon. Friend the Member for Birmingham, Selly Oak ably underlined that point—his speech was very important in that regard.

Given the low take-up of tax-free childcare, the extensive technical problems with its roll-out, its regressive impact and the apparent problems that parents with disabled children are having with accessing it, will the Minister see sense and keep the vouchers scheme open, as the petitioners request?

6.3 pm

The Economic Secretary to the Treasury (John Glen):
I am pleased to serve under your chairmanship, Mr Pritchard. I thank everyone who signed the petition and made their views heard. I understand that the petition has attracted more than 115,000 signatures, which goes to show the importance of the Government’s support for childcare costs. This is a key issue, and we have had a thorough debate. Seven Members made very full and thoughtful contributions, and I will respond to as many of their points as I can.

For many parents, being able to afford good-quality childcare is essential to working and supporting their families, so it is right that we have this debate. I am responding to the debate rather than the Minister with responsibility for childcare because tax-free childcare and childcare vouchers operate through the tax system. The Government have introduced tax-free childcare, which will benefit more than 1 million working households and mean that parents are eligible for up to £2,000 per child per year to help towards childcare costs.

Ruth George: Will the Minister give way?

John Glen: No, I want to make some progress. The hon. Lady can come in—

Ruth George: I have just a quick question.

John Glen: Let me make my introductory remarks, and then I will give way.

Let me draw Members’ attention to the three key reasons why we support the replacement of childcare vouchers with tax-free childcare. First, the Government believe that childcare vouchers are unfair. Tax-free childcare is fairer and better targeted than the voucher scheme. For example, only about 5% of employers offer vouchers, which limits their reach to about half of working parents, not to mention that self-employed parents are completely excluded from the scheme, which pays no regard to the number of children in each family and disadvantages lone-parent families.

Secondly, tax-free childcare has a broader reach. It is open to all working families with children aged under 12 that meet the earnings criteria. That ensures that families who were excluded from childcare vouchers can be brought into tax-free childcare, and benefits families with the highest childcare costs—namely, most of those with young children.

Thirdly, tax-free childcare is simpler to use—I will come to the IT issues that Members raised. Employers usually pay third-party providers to administer childcare voucher schemes. The Government do not believe that paying third-party providers is a good use of taxpayers’ money. Some £220 million has gone on such administration since the scheme began. A voucher scheme is therefore an ineffective way of delivering support to families. Under tax-free childcare, parents manage their own accounts online. The case for change is clear, as it was to the Labour party when it announced at its 2009 conference, when it was in government, that the existing system would be shut down.

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

Ruth George: I thank the Minister for giving way. I was simply going to ask about his earlier comment that 1 million families will benefit from tax-free childcare. Is that the number who will benefit in comparison with having no support with childcare at all, or does it take into account the approximately 550,000 families who would actually be better off under vouchers than under tax-free childcare?

John Glen: Clearly, in any benefit system there will be those who are better off and those who are not better off, but the bottom line is that the current system prevents large numbers of parents from accessing childcare support. That is why we are making the change.
Alex Cunningham: I have a simple question: is the Minister content that we should have inequality in the system and that some parents should receive a greater benefit than others?

John Glen: I am certainly very discontent with a situation where only half of employees are able to access childcare support and no self-employed parents can access any childcare.

Catherine McKinnell: Will the Minister give way?

John Glen: I am going to make a little progress, and then—[Interruption.] Go on, I will take a third intervention, as the hon. Lady opened the debate.

Catherine McKinnell: I thank the Minister for giving way. He is making an argument for broadening access to support with childcare, with which no one would disagree, but he is not making a compelling case for closing down the support that hundreds of thousands of working families already access. He needs to explain that before he can convince anyone, in the Chamber or outside, that it is a good idea to shut the voucher scheme.

John Glen: I thank the hon. Lady for her remarks and for the way in which she introduced the debate. She must reflect on the fact that the Government are closing the scheme, but not to existing recipients. There is no question of existing recipients not being able to continue making their current arrangements. It is unrealistic to say that that is the case—we are not shutting it down to existing claimants.

Let me make some progress. As the hon. Lady said in her remarks, tax-free childcare will be rolled out by 14 February 2018, and HMRC has done extensive work to ensure that the childcare system is ready for full roll-out. The advent of tax-free childcare will bring greater benefits to British families: it is better targeted and simpler than childcare vouchers. It is therefore right that we continue with the reform as planned, to the benefit of millions of households. The Government recognise that working parents have to make difficult financial decisions, and we are committed to supporting families to ensure that the cost of childcare does not deter them from working, or working more, if they wish to.

The hon. Member for Belfast South (Emma Little Pengelly) made a thoughtful point about female employment and the gender pay gap. The female employment rate is at a joint-record high of 70.8%. Since 2010, the number of women in work has increased by 1.4 million. I acknowledge that there is more work to be done, but the gender pay gap for full-time employment is at a record low. While I am not complacent—three days into my job at the Treasury, I am already focused on pay equality—we must acknowledge that some progress has been made.

Beyond introducing tax-free childcare, we have demonstrated our commitment to supporting families through multiple measures, to ease the burden that bit more. That is why the Government will be spending more money on childcare support than ever before. By 2020, we will be spending about £6 billion to help parents with the cost of childcare. That includes doubling the free childcare hours for working parents of three and four-year-olds from 15 to 30 hours a week, saving families around £5,000 per year per child. That is making a real difference to the lives of families across the country.

We are supporting working families on the lowest incomes who receive universal credit. We have increased the amount that working parents can get towards their childcare costs through universal credit from 70% to 85%. As wages increase, parents can use the online calculator to decide which offer best meets their needs: staying on universal credit or moving to tax-free childcare.

The Government have been gradually introducing tax-free childcare to replace childcare vouchers since April 2017 and, as I have said, tax-free childcare has a greater reach than childcare vouchers. Today, we announced that the offer is now open to families whose youngest child is under nine, and on 14 February it will open to all families with children aged under 12 who meet the earnings criteria. Each parent in the household must earn the equivalent of 16 hours at minimum wage a week—about £120 a week—and each parent must earn less than £100,000 per annum. Those criteria will ensure that the majority of working households will benefit, and it means that those working parents who are excluded from childcare vouchers because they earn at or just above the minimum wage will be able to access tax-free childcare.

Because tax-free childcare does not require any input from an employer, many self-employed parents will be able to get help with childcare costs for the very first time. Tax-free childcare is also a simpler system for parents to navigate. Parents open an online account and manage their deposits and childcare payments through it themselves. The system will also be easier and simpler for childcare providers to manage as they will no longer have to deal with multiple voucher providers. Tax-free childcare also offers more generous support for parents of disabled children, who can get up to £4,000 a year and remain eligible for tax-free childcare until the age of 17.

I will have to look into the assessments and write to the hon. Member for Birmingham, Selly Oak (Steve McCabe). At this point, I do not know whether that data exists. However, once tax-free childcare is open to all eligible parents and fully established, we expect it to be worth around £1,100 a year per household. That additional support is essential for many parents to return to work. It is clear that the replacement of childcare vouchers with tax-free childcare will bring huge benefits to parents.

I want to address points made by a number of hon. Members on delivery. The childcare service is a groundbreaking new digital service and, as of today, more than 300,000 parents have opened an online account. The hon. Members for East Lothian (Martin Whitfield) and for Newcastle upon Tyne North (Catherine McKinnell) referred to internet access, and the hon. Gentleman referred to banking issues, which we discussed on Thursday. The childcare service helpline can be called when online access cannot be secured.

We have seen a reduction in errors on screen down to 2%—it was 5% to 6% last summer. Enormous progress has therefore been made. The hon. Member for Oxford East (Anneliese Dodds) asked about an iron-clad guarantee, which is a little unrealistic given what has happened to Government IT projects for all parties over all generations.
since we have had IT. However, HMRC is working closely in partnership with National Savings and Investments, and with Atos as a delivery partner. Significant progress is being made to reduce those error screens significantly, to give a greater level of confidence on the roll-out of the new scheme.

While the vast majority of parents have used the service without difficulties, I acknowledge that some have experienced them. I can only apologise to those individuals. HMRC has apologised to those parents and has already made significant improvements to the childcare service, as I just set out. Overall, parents are receiving eligibility results more quickly, with the vast majority receiving a response within five working days, if not immediately, and fewer parents are experiencing technical difficulties.

HMRC will continue to implement technical updates to improve further the experience for all customers. It has arrangements in place to ensure that no parents miss out as a result of technical issues, and it is providing payments directly to parents in lieu of the Government top-up. Where individuals have missed out, compensation is available for those sums missed out on due to those technical issues. As I mentioned, a dedicated helpline is provided.

I want to address the reach of tax-free childcare. The scheme is designed to be responsive to parents’ needs. All parents who would have been eligible for childcare vouchers will be eligible for tax-free childcare provided that they have a child aged under 12 and that they and their partner, if they have one, earn around £120 a week. The generous upper earnings limit of £100,000 per parent means that the vast majority of working parents will be able to claim help with childcare costs.

However, the Government recognise that a small number of parents who were eligible for vouchers will not be eligible for tax-free childcare. Most of those parents will no longer be eligible as they are couples with only one partner in work, or where one is earning over £100,000 a year. Government spending has to be prioritised where it will have the biggest impact. We have struck a balance between universal childcare offers and those targeted to support families who need help most with the costs of childcare. Tax-free childcare is better targeted than vouchers, where support is dependent on who a parent works for rather than the needs of their household.

Alex Cunningham: I sense that the Minister is getting towards the end of his speech. People in the gig economy see tremendous fluctuations in their income and might not meet the £120-a-week threshold at any one time. What will the Government do about such people? Will they just drop out?

John Glen: The hon. Gentleman makes a characteristically sensible point, and I am happy to look into the matter and write to him. I do not have a detailed answer that I am happy to give him now.

Emma Little Pengelly: Although I welcome the fact that female participation in the workforce is at record high levels of about 70%, male participation in the same age cohort is about 79% to 80%—a significant gap. The Minister has outlined the targeting of measures at those most in need, but has the Treasury given consideration to the productivity gap between males and females? Research has indicated that a significant percentage of women, when asked about participation, give caring for children in the home as the primary reason, but there is a significant economic impact. That policy agenda should also be targeted by a childcare policy.

John Glen: As a former policy person, I acknowledge the detail of the hon. Lady’s analysis, and that there is more work to be done. I shall take that back to the Treasury as we try to address all dimensions of the productivity challenge.

The Government think it is right that we replace childcare vouchers with tax-free childcare from April 2018. However, I would like to reassure any parent who is currently receiving vouchers but is not eligible for tax-free childcare that there will be no automatic withdrawal of the voucher scheme. If they currently receive vouchers and their employer continues to provide them, they can continue to receive vouchers as long as they stay with that employer.

Steve McCabe: I acknowledge what the Minister says, but what will he do about parents who may change their employer? Presumably those parents will be discriminated against.

John Glen: I think they will be eligible for the tax-free childcare scheme.

Again, I thank all those who signed the petition, and all hon. Members who spoke this afternoon. As I have set out, tax-free childcare will help more households, and is better targeted and simpler, than childcare vouchers. HMRC has done extensive work to ensure that the childcare system is ready for full roll-out. It is therefore right that we continue with the reform as planned, to the benefit of millions of households around the country.

6.22 pm

Catherine McKinnell: Although I welcome the Minister to his new post, I do not think that anyone listening to the debate will be impressed by that response. It does not provide the reassurance that people are looking for—they want reassurance that the Government are serious about providing options so that families with children can meet and manage their childcare costs. I pay tribute to every Member who made a speech today, because if this was a football match, although we do not quite have the numbers, it would be 9-0 given the arguments that have been rehearsed. The Minister’s response does not adequately address the sincere and genuine concerns expressed by hon. Members, and by 116,000 members of the public who signed the petition.

I and hon. Members thank the person who started the debate, and everyone who signed it. They are right: the Government are wrong to close the voucher scheme to new members. The Minister is not being entirely clear when he says that it will remain open and that those within it should retain their confidence in it, because the Government’s actions are undermining it. Obviously, the numbers in the scheme will diminish. Who knows what the future holds? How far will employers be able to remain involved in the scheme as numbers...
inevitably diminish when the children currently benefiting from it grow up and no longer require the vouchers, and there are no new entrants?

That is obviously the Government’s strategy, but it is a mistake to close a scheme that works for so many families. Each of those families currently has the option to sign up for the tax-free childcare scheme, yet they either choose not to, or would not be eligible. The Government do not seem to acknowledge that, potentially, they are letting a huge number of those parents down. Unless they can give a cast-iron guarantee—the Minister has already said they cannot give one on the IT system—that every parent currently benefiting from the voucher scheme will benefit by the same amount or more from the tax-free childcare scheme, they are doing the wrong thing in closing it to new entrants. They should retain both schemes and give a much longer period to see how the tax-free childcare scheme performs. The issue is ultimately the children and the benefit that they will get if their parents can go to work and be provided with high-quality, affordable, or at least supported, childcare by the Government.

I make a final plea: I hope that the Minister can take this away and come back with a different answer. I hope he will hold the voucher scheme open for the huge number of parents and children who currently benefit from it, and that the Government will not undermine it.

Question put and agreed to.

Resolved,

That this House has considered e-petition 200585 relating to childcare vouchers.

6.25 pm

Sitting adjourned.
Westminster Hall

Tuesday 16 January 2018

[NADINE DORRIES in the Chair]

Junk Food Advertising and Childhood Obesity

9.30 am

Maggie Throup (Erewash) (Con): I beg to move,

That this House has considered the effect of junk food advertising on obesity in children.

It is a pleasure to serve under your chairmanship, Ms Dorries, for what I think is the first time. I thank colleagues across all parties for supporting my bid for this debate to the Backbench Business Committee, and I thank the Backbench Business Committee for understanding the importance of junk food advertising and its impact on childhood obesity and for granting this debate.

If hon. Members will excuse the pun, the size of the issue is getting bigger. Some 23% of children in reception are overweight or obese, rising to 34% of children in year 6, and the prevalence is higher for boys than girls in both age groups. Over the last 30 years, there has been a substantial increase in average weight in the UK and, at the same time, a decline in the quality of diets. It is predicted that if current trends continue, half of all children will be obese or overweight by 2020, which is just two years away.

Obese children are about five times more likely to remain obese in adulthood, so acting early can protect them from a lifetime of avoidable ill-health and disease. Obesity can lead to a number of serious and potentially life-threatening conditions, such as type 2 diabetes, heart disease and cancer. Recently, cases of type 2 diabetes have been reported in teenagers, although until now it has been recognised as a disease of older age. Obesity costs the national health service an estimated £5.1 billion and the UK economy £27 billion each year, so it is of the utmost economic importance that the obesity epidemic is addressed. I fear that those costs are grossly underestimated.

Obesity is strongly linked to socioeconomic deprivation. Findings from the most recent national child measurement programme show that inequalities in obesity prevalence between the most and least deprived quintiles of children in reception are widening faster than expected. Obesity is also twice as prevalent among children living in the most deprived parts of England than among those in the least, and patterns are similar across Scotland and Wales. That reflects the fact that families from lower socioeconomic backgrounds across the UK have the poorest diets, high in saturated fat and low in fruit, vegetable and fibre consumption.

Research also shows that the poorest UK households are exposed to twice as many television food adverts than the most affluent viewers. That exposure is problematic. Food advertising in the UK disproportionately features unhealthy food items, and young children are especially vulnerable to marketing techniques that promote unhealthy food. The pervasive harms of adverts place untold pressures on the poorest in society. Children with low nutritional knowledge are more likely than those with higher literacy to select unhealthy meals after seeing junk food adverts. Junk food marketing exacerbates health inequalities, especially among very young children and adolescents.

Over the last couple of years, there has been much focus on the impact of sugar on children’s health and the growing problem of obesity. However, we must not lose sight of the role that foods high in fats and salt play in the epidemic of obesity sweeping our nation. I am sure that Jamie Oliver’s visualisation of the amount of sugar in fizzy drinks in teaspoons helped the public to understand the issue, but we need to go further. The salt content of processed food has decreased over the past decade, mainly as a result of successful campaigning, and it is now common to find low-fat alternatives on supermarket shelves, but there is more still to do. As we focus our minds on trying to rid ourselves of those few extra pounds we mysteriously gained over the festive season, it is the right time to focus the Government’s mind on continuing measures to continue to tackle the obesity epidemic.

Paul Blomfield (Sheffield Central) (Lab): I congratulate the hon. Lady on securing this debate, and she is making a powerful contribution about the scale of the crisis. Prevention is clearly more important than cure, but given where we are now, does she acknowledge that we also need to focus on cure? Does she share my concern that too few clinical commissioning groups are commissioning tier 3 services, which can make positive interventions to support seriously obese children?

Maggie Throup: I agree completely. We need to consider prevention, cure and treatment. It is a huge problem, and it will not go away unless we tackle every aspect of it. The hon. Gentleman makes a good point.

The debate in Parliament on the impact of junk food, by which I mean food high in fats, salt and sugar, is not new. I talked to somebody just last week who gave me the insight that we have been discussing it for getting on for 15 years—probably more than that, if we backtrack even further—and we still do not have the courage to ban the advertising of products with such a major impact on the health of our nation and our future generations.

Recently, the Select Committee on Health held an inquiry and produced a report, “Childhood obesity—brave and bold action”, followed up in a short report early last year. Both reports contained a strong call for a ban on junk food advertising before the 9 o’clock watershed, yet that was sadly missing from the Government publication “Childhood obesity: a plan for action”, introduced in August 2016.

I am delighted that new rules on advertising were introduced by the Committee of Advertising Practice in July 2017—their impact is still being analysed. The rules banned the advertising in children’s media of food or drink products high in fat, salt or sugar. The restrictions now apply across all non-broadcast media, including print, cinema, online and social media, but that does not solve the problem. In 2015, Public Health England recommended extending current restrictions to apply across the full range of programmes that children are likely to watch, rather than limiting them to children-specific...
programming. Yes, restrictions apply to advertising high fat, salt and sugar products during prime time, but only when the audience is made up of 20% children or more.

A recent study commissioned by the Obesity Health Alliance found that 59% of food and drink adverts shown during family viewing time would be banned from children’s TV, yet hundreds of thousands of children are exposed to them every week. In the worst-case example, children were bombarded with nine adverts for products high in fat, salt and sugar in one 30-minute period. Adverts for fast food and takeaways appeared more than twice as often as any other type of food and drink advert, while adverts for fruit and vegetables made up just over 1% of food and drink adverts shown during family viewing times. The study also showed that the number of children watching TV peaks between 7 pm and 8 pm, definitely not when children-only programmes are shown.

Although I recognise that advertising restrictions in the UK on high fat, salt or sugar products are among the toughest in the world, we need to be even tougher. The childhood obesity plan published by the Government in August 2016 states that it is only the start of the conversation. This debate aims to help continue that conversation and focus on other measures that the Government can take to stop and reverse the obesity epidemic.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing this debate, which is similar to one that I secured six years ago in Westminster Hall. The situation has worsened considerably in that time. Does she agree that the plan that she just elaborated on needs action points from the Government along the lines that she has intimated? We need outcome targets so that the next generation of children will see a significant improvement, rather than the deterioration in the current generation.

Maggie Throup: I agree completely, and I thank the hon. Gentleman for that intervention. I was always taught that measures put in place with no targets or goals to meet are meaningless. We need to know where we want to be, and by when.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing this debate. I am sure she will agree that the obesity problem is growing and that measures to tackle it have been wholly inadequate. As with smoking, when we know something is harmful, we need a step change in measures to deal with it. An out-and-out ban on advertising—other hon. Members may comment on that—and a consideration of how we could severely restrict how high fat, salt and sugar foods and drinks are sold may be ways to take the strategy forward.

Maggie Throup: My hon. Friend is right—his background makes him an expert in the field—that no one measure will solve the problem. The Health Committee has called for “bold and brave action”, but we are a long way from seeing that.

No one measure will successfully tackle childhood or adult obesity. It is more than just sugar—many different aspects of food are causing the obesity epidemic. The soft drinks industry levy will play its part, as will Public Health England’s message, which was well publicised over Christmas and new year, that children should have only two snacks a day. Tackling junk food advertising is an important part of the jigsaw.

Conor McGinn (St Helens North) (Lab): When the sugar tax was introduced, Vimto, which has its headquarters in my constituency, would have avoided it on 60% of its products because they were already sugar free. That figure is now 100% because industry growth has been led by the fact that 70% of demand is for sugar-free drinks. In contrast, £200 million was taken from the public health budget in 2015-16, £85 million was taken in 2016-17, and 3.9% will be taken each year up to 2020. In some respects, the industry and the public are ahead of the Government.

Maggie Throup: There has been a step change in the industry. It has realised that if it does not take steps itself, more punitive measures may be imposed. Hopefully, debates such as this one will help the industry and other corporate bodies to take responsibility, which is a good way to address the issue.

It is well recognised that children and young people are particularly vulnerable to junk food advertising. Evidence shows a link between advertising and the types of food that that group prefer to buy and eat. Restrictions to advertising in or around programmes specifically made for children were introduced 10 years ago, but no Government since have made any effort to update the broadcast rules, despite widespread recognition of the health harms of junk food advertising. Anybody watching “Newsnight” last night will have seen that advertisers are finding ways to circumvent the rules, which is not what rules are there for.

By applying broadcast restrictions only to children’s programming, the pattern of TV viewing by children today is not taken into account.

Louise Haigh (Sheffield, Heeley) (Lab): The hon. Lady makes a powerful case about advertising. Evidence suggests that children as young as 18 months old can recognise branded products, so it has a significant and pernicious impact on very young children. Many people may not expect that. Does she agree that the rules need to be extended, not just for broadcast to ensure that they affect family viewing time, but to online advertising as well?

Maggie Throup: I completely agree. Some of the new restrictions imposed by the Committee of Advertising Practice in July aimed to do that, so that whatever method a child is viewing by, whether it is gaming or whatever, it is controlled. At a meeting just before Christmas, the committee said that it had still not been able to analyse the impact of the restrictions. Hopefully, in a few months’ time, we will get some feedback as to whether they are working or not—let us hope that they are.

Children are viewing TV—and lots of other media, as the hon. Lady said—in different ways, so we are calling for that to be taken into consideration to ensure that legislation is up to date. The rules are outdated and we urgently need an update to reflect changing viewing patterns.
We could debate whether restrictions on advertising are the responsibility of the Department of Health and Social Care or of the Department for Digital, Culture, Media and Sport, but ultimately we are discussing the health of our future generations. The Department of Health and Social Care should grasp that responsibility and make a difference.

The soft drinks industry levy, which has received a tremendous amount of attention, is a matter for the Treasury, but it appeared in the childhood obesity plan published by the then Department of Health in August 2016. There is no reason why introducing advertising restrictions for the sake of our nation's health should be deemed to be under the DCMS remit.

The Minister indicated to me that it was too early to have this debate as he may not be able to give any concrete answers, but it is never too early to have a debate on an issue that affects our children’s health. “Childhood obesity: a plan for action” states that it is the “start of a conversation”. It would be wrong of us, as parliamentarians, not to take every opportunity to continue that conversation. I hope that this debate influences the next stages of the measures to tackle childhood and adult obesity.

We have passed the stage of assuming that the implementation of further restrictions to the advertising of food and drinks high in fats, salt and sugar is part of a nanny state. There is now consensus across the House that responsibility and duty of care needs to be shown to our children and young people through bold and brave actions that will have an impact not only on future generations but on people today.

Before I finish, I have two more thoughts to throw into the mix. First, we should be mindful that there must be an element of personal and parental responsibility. Secondly, it is not a coincidence of scheduling that these adverts run alongside some of our biggest TV shows, such as the “The X Factor”, “Britain’s Got Talent”, “I’m a Celebrity”, “Hollyoaks” and “The Simpsons”. If we are to truly effect change, we need some of that star magic, as Jamie Oliver demonstrated.

The power of celebrity cannot be underestimated. With that in mind, I call on household names such as Simon Cowell, Ant and Dec, Dermot O’Leary and Amanda Holden to take some corporate responsibility; stand up to broadcasters and say that they will no longer be used as a hook to sell harmful junk food to our children and theirs.

**Dr Poulter:** My hon. Friend has made excellent points throughout her speech. Certain sports teams and events are sponsored by junk food advertising and companies such as KFC. In that context, corporate responsibility is important, but do the Government need to look at banning such advertising, as they did with tobacco advertising in Formula 1 many years ago?

**Maggie Throup:** As ever, my hon. Friend makes a good point. Everybody has responsibility: the Government have responsibility for their legislation and how it is implemented, and there is corporate responsibility.

Finally, perhaps we will start to see organic change from within the industry itself, rather than needing the Minister to formally effect change through regulation. That is the most effective way to get the change that we need, as we have seen with the reformulation that is going on already. If the industry gets the message loud and clear, it can do it on its own terms rather than being forced into it.
incomes have fallen in real terms in recent years, particularly since 2010, while food prices have gone up substantially—I think it may be by 3% at the moment.

Taking all that into account—the power of advertising, the substantial imbalance in information and the pressure on family budgets—I believe that action is urgently needed and I ask hon. Members to support the motion today and call on the Government to listen to this debate, to understand and acknowledge the serious concerns that are being raised, and to take—as was said earlier—bold and brave action to address this issue.

9.53 am

Andrew Selous (South West Bedfordshire) (Con): I congratulate my hon. Friend the Member for Erewash (Maggie Throup) on an excellent speech.

Our thinking on this issue has been somewhat muddled in the past, and I encourage the Government to be bold as they work to improve their child obesity strategy further. There is a huge public interest here. As taxpayers, we all have to support the NHS; something like 10% of the budget of NHS England is involved with obesity-related issues, whether that is type 2 diabetes or a range of other health conditions caused by obesity. So every one of us, as taxpayers, has an interest in this issue.

It is also an issue of social justice, in that—unlike at any other time throughout history, really—it is now the poorest children who are the most overweight. We have flipped what has happened throughout history, when it used to be the poor who were thin and emaciated, and the better-off who were plump and well fed. We cannot allow an unemployable underclass to grow up—children who are obese, who go on into adult life being obese and have a low self-image and low self-confidence, who then struggle to get work as a result, and who have a low income or are on benefits. We are talking about the loss of a lifetime of opportunity if we do not grasp this issue, so it really matters.

It is serious. Lord Patel, who chaired the House of Lords Committee on the future sustainability of health and social care, told the—[Interruption.]

Ms Nadine Dorries (in the Chair): Order. I remind Members that conversations are for outside. Thank you.

Andrew Selous: Thank you, Ms Dorries. Lord Patel told the Commons Health Committee on 24 October last year that the United Kingdom had the second worst obesity problem in the world, after the United States of America. I want to see action on a range of issues. Credit where credit is due—the sugary drinks levy has been successful, but the Government are now measuring nine types of food. We look forward eagerly to the release of that data in March this year. If we have established the principle with sugary drinks, there is no reason why we should not extend that approach to other foods, so that it will lead in the main part to reformulation, as the hon. Member for Sheffield Central (Paul Blomfield) said earlier.

I had a good meeting with Kellogg’s a couple of weeks ago. It is making serious efforts to make their breakfast cereals have much less sugar, so there is movement in the right direction, and by extending the framework of the sugary drinks levy to other foods, we could encourage that process further, which would be helpful.

If the Government are worried that there will be devastation in the food and drinks industry, they should take heart from what happened in Thailand. We know from a recent study by the University of Bangkok what happened when Popeye was featured a lot on television in Thailand. Of course, Popeye—as we all know from our own childhoods—at lots of spinach and one particular television programme showed children developing fantastic muscles through eating lots of spinach. Those children who watched lots of Popeye programmes doubled their intake of spinach and other green vegetables. So, if some food and drinks manufacturers end up making less harmful foods, perhaps we will see an increase in the healthy and nutritious part of our food industry, which we all want to encourage and we all want to see have a great future in this country.

Like my hon. Friend the Member for Erewash, I do not think that only one measure is the solution to this problem. I welcome the specific focus of this debate on ramping down advertising to children, but there is a whole range of measures we can take, including clear food and drink labelling. The traffic light system labels should be on all food in our supermarkets. They are clear and easy to understand; the public can understand them. Also, when we go into a restaurant, why not make the number of calories in what we are ordering available? That would give people information.

We could do so much more in planning. I would like to see health as an objective in planning policy, and to see local authorities having the ability to turn down planning permission for unhealthy fast food outlets right next to schools. We cannot beat the food industry over the head and then allow a proliferation of shops selling unhealthy food right next to our schools. We need to be measured, we need to be fair and we need to have a policy that applies across government.

I would like the Minister to get on an aeroplane and go over to Amsterdam. I am extremely grateful to the Centre for Social Justice for drawing our attention to the Amsterdam healthy weight programme. The Minister looks as if he has not had that much foreign travel, so perhaps we can get him on a plane to Amsterdam before too long. It would not be a jolly; it would be a very serious piece of work. We do not need a pilot or to try a few things here or there, to see what works. We have four years of hard data from the Netherlands, showing that if there is a city-wide approach, led by political leaders, progress can be made. In Amsterdam between 2013 and today there has been a 12% reduction in the number of obese children across the board and an 18% reduction in obesity among the most deprived children. Mayor Eric van der Burg has shown that with political will, a ban on advertisements of fast and junk food in every metro station in Amsterdam, consideration of the built environment, and consideration of health in every policy, progress can be made.

I have raised the matter with Simon Stevens in the Health Committee, and I raise it now in the presence of the Minister: let us see action. We do not need to reinvent the wheel; a model just the other side of the channel has delivered results and we need to replicate that here.
We need to support our health professionals as well. There is an initiative called “make every contact count”, in which every clinician—at the GP surgery or in hospital—is supposed to talk about healthy lifestyles and weight at every opportunity but, in reality, it rarely happens, as they are overworked and time-pressured. Nevertheless, we need to hold firm to that, and to help GPs have sensible and sensitive conversations, recognising that people may find it a difficult and sensitive subject. It is not about embarrassing or upsetting anyone. I am lucky to be able to eat like a horse and look like a rake, but I recognise that not everyone is like that. This is a challenge; many environmental factors make it difficult for many families.

We need to encourage our schools to do the right thing. I pay tribute to Ardley Hill Academy and Linslade School in my constituency. They both have a fantastic graphic on the wall of different types of drink, showing the number of sugar lumps in each. The bottle of water at the end has, of course, none. What an amazing graphic.

Derek Thomas (St Ives) (Con): My hon. Friend has made some excellent points. Will he give credit to the many schools across the country, including in west Cornwall, that do the daily mile? Every child does 15 minutes’ exercise or walks a mile every day. He is right to encourage schools, but it must be soul-destroying for teachers to go home and see TV advertising undoing their good work.

Andrew Selous: I could not be more grateful to my hon. Friend. He is absolutely right. The daily mile started at St Ninians School in Stirling in Scotland, and it is a fantastic initiative. If children cannot run, they can walk it. They do not have to bring in special gear. The teachers do it as well, and the health benefits have been phenomenal. The headteacher has said that pupils all look like rosy-cheeked children from the 1950s. Colds and sniffles have disappeared from the school, virtually no one sees the school nurse, and obesity and weight problems have come right down. My hon. Friend has mentioned another fantastic example of a whole-community approach, and that is the approach I encourage the Government to take when they come up with their new plans in March.

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in the debate, Ms Dorries. I congratulate the hon. Member for Erewash (Maggie Throup) on setting the scene so very well and giving us the chance to participate.

As a type 2 diabetic, I have had to learn to have a new lifestyle. I used to have a takeaway almost every night, and two bottles of coke on top. Add stress to that, and all of a sudden I was 17 stone. I am pleased that I am now keeping my weight down to about 13 stone. What is important to say is that I knew there was something wrong but did not realise what. If only I had known that the symptoms were diabetes-related. When I was diagnosed some 11 years ago, food management was important but it would have been more important 10 or 15 years before that, when my lifestyle was grossly affecting my health. I say that as an adult who does not want his grandchildren, Katie and Mia, to be in the same position, with a preventable life-changing illness.
before, we need to address fat and salt as well. Some of my colleagues, friends and others in the House might say that the nanny state is not what we want, but I very much believe that we sometimes need it to enforce what is best for people. Chocolate bars are made smaller to keep the prices down, which is great, as the bars obviously contain fewer calories. We have implemented packaging requirements that ensure that products clearly show how much fat and calories are in them, and that is great as well. Well done to Tesco for allowing children to eat a piece of fruit as their mothers shop, but are three-for-two offers on junk food wise when someone sets out to buy only one but wants a bargain? Yes McDonald’s is fine as a treat, and well done to the company for allowing healthier options in “happy meals”, but it is not great if people have them on a regular basis.

It all comes back to the message: all things in moderation. All those initiatives are great, but they are not doing the job quickly enough. Under the smoking initiative, we have greatly monitored and lessened the amount and form of advertising, and that needs to be done for junk food with equal pursuit, zeal and enthusiasm. I am happy to swallow the accusation of a nanny state if it means that my grandchildren and other children are healthy, happy and content with their fruit at school and with their wholemeal bread and balanced diet, along with the occasional treat. We should not deprive them of their treats, but we must ensure that treats are not an everyday occurrence.

A better way of handling advertising would help parents to teach their children balance without the children feeling hard done by, or different from what they see on TV. We must do all we can—I must do all I can—for the future of our children and grandchildren in the hope that the lessons will also impact on how adults eat and live their lives. The nation as a whole will benefit. I look to the Minister for the comprehensive response we always get from him. I have already apologised to you, Mrs Dorries, the Minister and the shadow response we always get from him. I have already apologised to you, Mrs Dorries, the Minister and the shadow Minister, but I have to leave for a meeting with a Minister.

10.10 am

Kirstene Hair (Angus) (Con): It is a pleasure to serve under your chairmanship, Mrs Dorries. I congratulate my hon. Friend the Member for Erewash (Maggie Throup) on securing this important debate. Childhood obesity is a stubborn problem in Scotland. Some 29% of Scottish children are at risk of being overweight or obese, and that figure has remained static since 1998. While recent years have seen a welcome decline in childhood obesity from 17% in 2014 to 14% in 2016, that figure is still no better than 20 years ago. As other Members have mentioned, obesity increases someone’s chances of developing heart disease and type 2 diabetes, among other conditions.

Every child deserves the healthiest possible start to life, so it is vital that the UK Government and the Scottish Government continue to work across every channel to reduce childhood obesity. They should not simply tinker at the side lines, but introduce a number of radical reforms to extend life chances, reduce the pressure on the health service and create a healthier society overall. Our childhood obesity problem has many causes, and there are many things that the Government can do to help address it. One is the curtailment of the advertisement of unhealthy food in environments where children are likely to encounter it. Evidence shows that children’s exposure to food advertisements can have a major influence on a child’s diet and therefore their weight. Cutting their exposure to advertisements for unhealthy food is therefore a vital tool in the fight against childhood obesity.

I am pleased by the tough line already being taken on junk food advertisements. The total ban on advertising less healthy food during children’s TV programmes or on children’s TV channels is a common-sense restriction. None the less, TV is not everything. Children are spending less and less time watching TV and more and more time on the internet.

Conor McGinn: We are talking about TV, and we have heard a lot about advertising, but it is important to look at what happens between the adverts: the programming. Some 18 months ago, ITV launched a very good initiative called “I am Team GB”, where it switched off the channel for an hour. Some 2,500 sports clubs across the UK opened their doors and more than 4 million people were motivated to take part in sport. Research shows that food-related programming promoting a healthy lifestyle has as much if not more of an impact than advertising. In issuing charters, it is important that the Government also regulate that programming so that we see a joined-up approach with good programming that promotes healthy living.

Ms Nadine Dorries (in the Chair): Order. I remind Members that interventions should be interventions and not speeches.

Kirstene Hair: I completely agree with the hon. Gentleman. We need a collaborative approach, and not just one reform needs to take place.

Internet usage overtook TV viewing among children for the first time in 2016. As we know, advertising can be more tailored than ever. Custom-made adverts are being beamed relentlessly at easily influenced children, which is without a doubt having the desired effect for those who promote such adverts. It is therefore time for a shift in focus. The battle to ensure that children are exposed as little as possible to unhealthy food advertisements must move from TV to other arenas, especially online. Although that is more difficult, it is no excuse to sit back. That is why I am pleased that, as of June, the ban on advertisements for unhealthy food targeted at children, or featuring cartoon characters, was extended from TV to print, cinemas and online, including social media sites. The new rules are not big new onerous regulations, but simply a matter of ensuring that our existing level of regulation keeps up with the changing nature of children’s entertainment.

I would like many other adaptations to the way in which we educate our young people, and advertise and market to them. For example, as a young person enters a supermarket, they are flooded with sugary deals at the doorway. They have the difficult choice between a chocolate bar or a costlier fruit pot at the snack counter, and they are encouraged to integrate a sugary treat into daily lunches through meal deals. There are endless promotions in the confectionary aisle, but few similar incentives
within fruit and vegetable sections. Our retailers are some of the best marketeers in the country and hold some responsibility to act on this national crisis.

I strongly believe that the classroom must provide food education as many children do not have access to that in the home. It is not a tick-box exercise. Lifelong skills with nutrition and cooking nutritious food will in turn support the education of young people so that they consume sugar and other unhealthy foods in moderation, feeding their bodies with the fuel they need, not the fuel they want. For example, home economics is a crucial subject in secondary schools. Initiatives that primary schools partake in, such as school allotments and farm visits, are undoubtedly having the correct impact. Children with sporting aspirations quickly learn what their bodies require to perform, and the encouragement of school sports and hobbies will also play a part in education and the ability to resist junk food advertisements. As a nation we grow a wide variety of nutritional produce, and having been brought up on a farm, I fully appreciate how important it is that we support our British farming industry.

In summary, as the years go on we must remain extremely vigilant to ensure that regulations continue to keep pace with the changing habits of our young people and the environments they are exposed to daily. The problem will not disappear and could escalate at an alarming rate. Advertising affects obesity, so it is crucial for the health of our future generations and our health service that we continue to reduce children’s exposure to advertisements for unhealthy food—whether that is on TV, online, or in person prior to making a purchase—as well as educating people from a young age about the array of wonderful healthy produce grown on their doorstep.

10.15 am

Kerry McCarthy (Bristol East) (Lab): I congratulate colleagues on their excellent speeches so far. As has been said, we have a childhood obesity epidemic in this country. One in three children is overweight or obese by the time they leave primary school. That makes them five times more likely to become obese adults, putting them at risk of the biggest preventable cause of cancer after smoking. This debate was triggered by calls from Ofcom to act now, and I am interested to hear what the Minister has to say on that.

As the hon. Member for South West Bedfordshire (Andrew Selous) flagged up in his excellent speech, it is not just advertising that creates an obesogenic environment for children. Walking past outlets selling high-fat, high-salt, high-sugar foods every day can set back efforts to encourage healthy eating. There is no point having all these programmes in schools to encourage children to be more active and to teach them what a healthy diet looks like if they are walking past a McDonald’s on their way to and from school and probably during lunchtime as well, if they are able to pop out.

Andrew Selous: The hon. Lady is making an excellent speech with some very good points. She has given credit to McDonald’s for the healthy food it produces. There is no reason why fast food cannot be fast, healthy, delicious and nutritious, is there?

Kerry McCarthy: I do not think that I did pay tribute to McDonald’s. I was highlighting McDonald’s as a cause for concern. I am sure that its representatives will be in touch after the debate to tell me that it offers salads, but I am not sure how many secondary school children pop into McDonald’s after school for a salad. I think there was an experiment in Hulme in Manchester where they thought that teaching people about cooking, buying local food and sourcing it in their local community was too large a first step. In a bid to encourage people to eat more healthily, they then created a fast food outlet that was devoted to healthy food. I do not know how that has gone—I think it was a year or two ago—but it shows that it can be done.

Data provided to The Guardian by the Centre for Diet and Activity Research at the University of Cambridge showed that more than 400 schools across England have 20 or more fast food takeaways within a 400-metre radius, while a further 1,400 have between 10 and 19 outlets within the same distance. In my constituency—I apologise; I am going to have a bit of a go at McDonald’s
again—we had an application for a new 24-hour drive-through McDonald’s within 800 metres of three schools, and only just over 400 metres from another. As a council, we tried to reject that planning application, partly because of the traffic, litter and noise concerns associated with a 24-hour drive-through. The application also went against advice issued by Public Health England in its March 2014 briefing, titled “Obesity and the environment: regulating the growth of fast food outlets”, which stated that an important function of local authorities is “to modify the environment so that it does not promote sedentary behaviour or provide easy access to energy-dense food.”

Despite that, the Government’s Planning Inspectorate overruled the council and granted permission for the drive-through to go ahead.

About 20 English councils, including Bristol, have rules banning new fast food outlets from opening within 400 metres or 800 metres of schools—in Bristol it is 400 metres. The Mayor of London recently announced a total ban on new fast food outlets within 400 metres of schools across the capital. However, I agree with the likes of Brighton and Hove City Council that 800 metres, which I think is only a 10-minute walk or so, would be better. It is not in the childhood obesity plan, and the Government need to do more to encourage that.

The sugar tax has been discussed. Children in the UK consume up to three times the maximum amount of sugar that they should, and fizzy drinks are their No. 1 source. We know that there was a real battle to get the levy to where it is now, and it took a long time to get it introduced. It is good that it is forcing manufacturers to reformulate their drinks to come in below the sugar tax threshold, but I am concerned about what will happen to the £10 million that was pledged from the levy to fund school breakfast clubs. It is good that companies are responding, but it is really important that we support our breakfast clubs as well, and I would like to hear from the Minister on that.

I want to say a little about school food standards. For many children from low-income families, school meals provide their main source of nutrition for the day. I would not be surprised if the Labour spokesperson, my hon. Friend the Member for Erewash (Maggie Throup) for introducing this important debate, I thank all hon. Members for their thoughtful and knowledgeable contributions.

Today’s debate has drawn attention to the serious problem of childhood obesity, the link with junk food advertising, and the fact that a variety of steps are open to us that importantly would reduce the impact of that advertising. One step that many hon. Members have focused on, to which I can give my wholehearted support, is a more general ban on junk food TV advertising prior to the 9 pm watershed. To me, it seems to be an open-and-shut case. We already have some restrictions in place, so broadening their application is really just unfinished business, or seeing them through to their logical conclusion.

Hon. Members have highlighted some of the stark facts, including the link between obesity and 13 types of cancer, type 2 diabetes, mental health problems and heart disease. We have also heard of the extent of the challenge we face. It is as difficult a challenge and, in some respects, even more difficult in Scotland compared with other parts of the UK. The Scottish health survey identified in 2016 that 65% of adults and, as the hon. Member for Angus (Kirstene Hair) highlighted, 29% of children were overweight or obese. Public awareness remains low, with only a quarter of Scottish adults knowing that being overweight can cause cancer. Every year, excess weight is estimated to cost NHS Scotland up to £600 million. At least one other hon. Member alluded to the £5.1 billion figure, which is the equivalent figure for the whole of the UK.
The hon. Members for South West Bedfordshire (Andrew Selous) and for Erewash highlighted the impact on health inequalities. Again, the pattern is similar in Scotland, with 22% of children from the least deprived quintile overweight or obese. That compares to 27% from the most deprived, and a staggering 41% from the second-most deprived quintile. The hon. Member for Erewash rightly pointed out that even that trend can be linked with different TV viewing patterns.

In short, I cannot see how we can possibly avoid concluding that there is a significant link between junk food TV advertising and childhood obesity, and it is good that no hon. Member has sought to do that today. In a sense, the advertising’s very existence proves it. Who would repeatedly invest huge sums of money in advertising if it did not lead to increased consumption? There is a wealth of evidence worldwide to prove the fact, from the American Psychological Association, to studies from Deakin University in Australia. The most recent contribution, by Cancer Research UK, further confirms that children who are exposed to junk food advertising on television eat more unhealthily than those who are not.

TV advertising works, and that is exactly why so much money is spent on it. It is also why Ofcom’s broadcast restrictions on junk food advertising came into effect 10 years ago following, as I understand it, a report commissioned by the Government Office for Science, which identified that same link. Further action by the Government is now necessary, and the restrictions need to be extended to content that is considered family viewing, such as soaps, game shows and those programmes broadcast before the watershed—the generic TV that fills a lot of time between coming home from school and bedtime. The hon. Members for Erewash and for Bristol East (Kerry McCarthy) set out in great detail why that loophole must be closed, especially given the different patterns of TV viewing that are now prevalent.

Good work on tackling childhood obesity is going on across the UK. The UK Government action plan on childhood obesity published last January was a welcome step in the right direction, and we have also welcomed the sugar tax. In Scotland, we have seen new restrictions on the promotion of unhealthy food as part of the Scottish Government’s new diet and obesity strategy.

As hon. Members have said, there is no one measure that is going to fix the problem. We have heard a huge range of very good ideas today, including action on school meals, the daily mile, labelling, sponsorship, TV programming, education and even lessons we can learn from countries as far and wide as the Netherlands and Thailand. They are all good ideas, but as a minimum start, let us support all the good work that is going on with further restrictions on the advertising of junk food on TV. At the end of the day, our children will thank us one day if we do, but too many of them will pay a drastic price if we do not.

10.30 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship, Ms Dorries. I thank the hon. Member for Erewash (Maggie Throup) for securing this important debate, and for sharing her knowledge in her passionate speech. I also thank the other hon. Members who have spoken this morning for their eloquent speeches: my hon. Friend the Member for Reading East (Matt Rodda), the hon. Members for South West Bedfordshire (Andrew Selous), for Strangford (Jim Shannon) and to Angles (Kirstene Hair), my hon. Friend the Member for Bristol East (Kerry McCarthy) and the hon. Member for Cumbernauld, Kilsyth and Kirkintiloch East (Stuart C. McDonald), who spoke for the Scottish National party.

The UK has one of the worst obesity rates in Europe, with almost two in every three people either overweight or obese. I am, as hon. Members can see, one of those two. I am back on a strict diet post-new year, with no sugar or alcohol for the foreseeable future—if any hon. Members see me with either or both in my hand, please take them off me—and I hope that by August there will be a lot less of me.

I commend the honesty of the hon. Member for Strangford. I have been on a similar journey to him healthwise, and I hope to share his success weightwise. It is hard though—if it were easy, nobody would be overweight. We have not all got metabolisms as good as a horse, as the hon. Member for South West Bedfordshire attests to. However, I started life as a skinny kid and was a slim teenager. I am proud to say that I was a size 10 when I got married, but I still ended up overweight as time went by. Therefore, I worry greatly when I see the stats, as I know we all do, for this country’s children.

As we have heard this morning, a pattern now emerges at a very early age. In 2016-17, almost a quarter of reception children aged between three and four were overweight or obese. In the same year, for pupils in year 6, it was more than a third. An obese child is five times more likely to grow up into an obese adult. I did not start as an obese child, and hon. Members can see where I got to, so it is important that the Government do all they can to ensure that child obesity rates are reduced as a matter of urgency.

As we know, obesity is linked with several health issues: lung and liver disease, heart attacks, strokes, seven or more types of cancer, and type 2 diabetes, all of which could be prevented with healthy eating and a healthy lifestyle. According to Cancer Research UK, continued eating and drinking patterns—alcohol is also a major factor in cancer—could lead to being overweight and obese and could cause an additional 670,000 cases of cancer in the UK over the next 20 years. Diabetes UK also warns that there are now 12.3 million people at an increased risk of developing type 2 diabetes. If overweight and obesity levels were to be reduced, three in five cases of type 2 diabetes could be prevented or delayed.

Obesity comes at a high financial cost too. Obesity and its related health problems cost the NHS in England an estimated £5.1 billion a year, projected to reach £9.7 billion by 2050, if the Government and the people themselves fail to take any action—as we have heard in the debate, people need to take action for themselves. That is why this debate is so important. If we do not do anything about obesity today, the children of tomorrow are the ones who will suffer.

There are many ways to address obesity. No one intervention is a silver bullet, but it is the Opposition’s belief that action on advertising and marketing can make serious inroads.
Ten years ago, Ofcom’s restrictions on junk food advertising came into effect. But over that decade, our viewing habits have changed, as we have discussed. At that time, the Ofcom reportline:

“Advertisements of high fat, salt and sugar products should not be shown in or around programmes specifically made for children... For the avoidance of doubt this measure will remove all HFSS advertising from dedicated children’s channels”.

Ten years on, as we all know, that is incredibly outdated and out of touch with the way children watch TV. Children are likely to watch TV with their family or watch programmes that are not on specific children’s channels, such as “The X Factor”, “Britain’s Got Talent”, “Hollyoaks” and other programmes.

A report by the University of Liverpool found that 59% of food and drink adverts shown during family viewing time were for high fat, salt and sugar products and would have been banned from children’s TV. The same report also found that, in the worse case, children were bombarded with nine junk food adverts in just a 30-minute period and that adverts for fruit and vegetables made up only 1% of food and drink adverts shown during that family viewing time. Ofcom’s restrictions on junk food advertising are therefore totally obsolete and in need of a serious update to protect children from the bombardment of junk food advertising from multinational companies.

Many of the charities and organisations that provided me with briefings for this debate called for junk food advertising to be restricted until the 9 pm watershed on all channels, which was something I was pleased to commit to in the 2017 Labour party manifesto and am proud to remain committed to. I hope that the Minister will hear the calls today from hon. Members across the House and will see why an update of the restrictions is necessary.

Children must of course also be protected from other forms of advertising, such as billboard and bus shelter adverts, as well as subtle advertising in films and in made-for-purpose games, which are so prevalent there is a name for them—advergames. “Newsnight” last night noted that there are major concerns with the regulations around confectionary firms and their marketing to children. There seems to be a loophole in the law with regard to advergames, which needs to be closed.

There are also genuine games that are very popular with children although they are not aimed at them, such as Candy Crush—I have to admit to having tried that one myself—which embed advertising in the game and have been shown to drive children’s food choices. Sponsorship has also been shown to have a huge impact on brand awareness and purchasing decisions among children. Products high in fat, salt and sugar are often found to sponsor sporting events or teams of which children are a key part of the audience. For example, Cadbury is the official snack partner of the premier league.

The current restrictions do not encapsulate those areas, and in our digital world it is important that our restrictions advance to protect children. Will the Minister commit to holding a cross-Departmental meeting with colleagues in the Department for Digital, Culture, Media and Sport to discuss the urgency of addressing junk food marketing to children across those forums?

Not only do we watch TV and use the internet differently, but we also shop differently. Our sedentary lifestyles mean that we now rush into supermarkets trying to buy the quickest or cheapest products. As soon as we walk through the door, we are tempted with promotions, such as buy one get one free or three-for-two offers. Such discounts make up for more than half of all food sold in the UK, a higher proportion than in any other country in western Europe. We all love a bargain, but research has shown that 76% of purchases were unplanned and decided on in store, which shows the power of such promotions.

That trend is increasingly prevalent among families from poorer backgrounds who are not able to afford more expensive, nutritious and healthier food, or lack the skill to cook it. It is therefore no wonder that children aged five from poorer backgrounds are twice as likely to be obese, and that those aged 11 are three times as likely to be obese. Following what the hon. Member for South West Bedfordshire said, we also need affordable, healthy and nutritious products available on promotion to change habits.

I am sure the Minister will uphold the Government’s pledge to tackle childhood obesity, but their efforts are dwarfed by multinational corporations’ spending on junk food advertising. In 2016, the 18 highest-spending crisps, confectionary and sugary drinks brands together spent more than £143 million advertising their products. I recently met an advertising executive who has turned gamekeeper since having a damascene conversion—he now campaigns against added sugar and obesity. He told me how much effort multinational corporations put into marketing specifically to children. It is not accidental, but a deliberate, well-thought-through and lucrative strategy.

Eighteen months ago, the Government launched their much-depleted childhood obesity plan, which left much to be desired. Will the Minister update us on the current situation of the childhood obesity plan? Will he commit to looking beyond it and going further by introducing the initiatives that have been suggested today, such as a 9 pm watershed on junk food marketing, which were sadly dropped from the original plan?

All of the arguments we have heard this morning point to the fact that essential Government action is needed to ensure that our children grow up in a healthy environment so they can be fighting fit for the future. I hope the Minister will take these suggestions back to his Department and think about how they can be implemented into a serious drive to reduce childhood obesity over the next 10 years. Childhood obesity must be addressed. We cannot have a soft-touch approach. We must do this for future generations of children, and make a promise to them that they can be some of the healthiest children in the world.

10.42 am

The Parliamentary Under-Secretary of State for Health (Steve Brine): Child obesity remains one of the top public health challenges on my desk and for the Government. I congratulate my hon. Friend the Member for Erewash (Maggie Throup) on securing this debate through the offices of the Backbench Business Committee. I also thank the Health Committee for its ongoing inquiry into child obesity. Its Chair is not able to be here.
today, but she has a great personal interest in this subject. Ministers always say that debates are wide-ranging, useful and interesting, but this one certainly has been—it has been much wider than the title of the debate. We have learned a number of things, not least the shadow Minister’s new year activities. She has learned about the work of the pop band the Editors and advergames in the last week alone, and it sounds like one of her new year’s resolutions is to look into Candy Crush—the things you learn here!

As colleagues who are still here will be aware, the latest figures continue to show that our childhood obesity rates remain too high. About a third of children leaving school are overweight or obese. I and the Government will not accept that. In addition, evidence shows that the deprivation gap in obesity prevalence between children in the most and least deprived areas continues to widen. Again, I definitely will not accept that. My hon. Friend the Member for South West Bedfordshire (Andrew Selous) made that point well. When she first came to office, the Prime Minister spoke on the steps of Downing Street about the burning injustices she sees in this country. This is undoubtedly one of the pillars of burning injustice in Britain today.

The gap continues into adulthood: obese children are much more likely to become obese adults, which increases their risk of developing serious diseases, as we have heard, such as type 2 diabetes, heart disease and, of particular interest to me as the cancer Minister, more than 13 types of cancer—I suspect that is underplaying it—including bowel and breast cancer. The shadow Minister and I share a great interest in that subject, having chaired the all-party group on breast cancer for many years together. Obesity is also a major risk factor for non-alcoholic fatty liver disease, as a number of hon. Members said. I see this as a huge challenge to individuals’ health and wellbeing, and a huge cost to the NHS and the country. Obesity-related ill health is estimated to cost the NHS some £5 billion a year—again, I suspect that underplays it.

There is no denying that obesity is a complex, far-reaching problem. It will sadly not be solved by one action alone, as pretty much all hon. Members said—my hon. Friend the Member for Erewash said that in opening the debate. Neither will it be solved overnight. It is a tanker to be thought about deeply and over a long period of time, including more than one Parliament. It will require a change in government policy, but it will also require a change in consumer behaviour. This will not be solved by legislation alone. It will require the whole of government working together. We must all work together to tackle this problem.

As colleagues who are still here will be aware, the latest figures continue to show that our childhood obesity rates remain too high. About a third of children leaving school are overweight or obese. I and the Government will not accept that. In addition, evidence shows that the deprivation gap in obesity prevalence between children in the most and least deprived areas continues to widen. Again, I definitely will not accept that. My hon. Friend the Member for South West Bedfordshire (Andrew Selous) made that point well. When she first came to office, the Prime Minister spoke on the steps of Downing Street about the burning injustices she sees in this country. This is undoubtedly one of the pillars of burning injustice in Britain today.

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There is no denying that obesity is a complex, far-reaching problem. It will sadly not be solved by one action alone, as pretty much all hon. Members said—my hon. Friend the Member for Erewash said that in opening the debate. Neither will it be solved overnight. It is a tanker to be turned around. We launched our childhood obesity plan in August 2016, informed by the latest evidence and research in the area. It challenges us all—the national Government, local government, businesses, the NHS, schools and families—to play our role in reducing childhood obesity levels. There are many parts of the jigsaw, and many players we need to tackle, including the healthiness of the food we are eating, how much we are eating—portion size—how active we are and the environment we live in. Of course, marketing plays an important part.

As part of the plan, we introduced two key measures to challenge the food and drink industry to improve the healthiness of the food children eat every day, and those policies are already showing positive signs. The soft drinks industry levy, which is set to become law in April, has already seen almost half of the soft drink market reformulate its sugary soft drinks to include less sugar. Companies such as the maker of Lucozade and Ribena—I will be visiting it later this week to see more detail—and Tesco have led the way by removing millions of tonnes of sugar. That is a crucial step forward in improving our children’s health, as the data shows us that sugary soft drinks are the main contributor of sugar in our children’s diets.

Kerry McCarthy: This is slightly off-topic, but Lucozade has been named public villain No. 2 after Pringles, in terms of its plastic packaging. The plastic sleeves around the outsides of the bottles mean that they are impossible to recycle. Lucozade and Ribena are particularly bad. Will the Minister mention that too when he is having a go at the company about sugar?

Ms Nadine Dorries (in the Chair): Order. I will allow that, Ms McCarthy, but that is the only off-issue topic.

Steve Brine: It is on my list.

We also challenged the food and drink industry, with Public Health England’s sugar reduction programme, to reduce the amount of sugar in the foods our children eat most by 20% by 2020. Some of the biggest players in the industry, including Waitrose, Nestlé and Kellogg’s, which a number of hon. Members mentioned, have already made positive moves towards that target. Data will be available in March this year to give us a better picture of how the whole market has responded—we will be naming names—and to show whether we have met our year one target of a 5% reduction. We remain positive, but we have been clear from the beginning that if sufficient progress has not been achieved, we will consider further action. We rule nothing out.

We further built on the foundations of the childhood obesity plan in August 2017 by announcing the extension of the reformulation programme to include calories. The Government will publish more detail of the evidence for action on calorie reduction, and our ambition and timelines for that, in early 2018.

Our plan also includes school-based interventions, which a couple of hon. Members mentioned, including the expansion of healthy breakfast clubs for schools in more deprived areas, with £10 million per year of funding coming from the soft drinks industry levy. That is on top of the doubling of the school sport premium, which is flowing into schools as we speak, and represents a £320 million annual investment in the health of our children. The hon. Member for Bristol East (Kerry McCarthy) asked whether that cash will continue to flow as companies take action. I will come back to that point, but the Treasury has guaranteed a level of funding over the next three years, regardless of what comes in from the levy. If she wants me to write to her to put that in more detail, I am happy to do so—I have found the note I meant to read out, but we have covered it anyway. Such actions will ensure that we are tackling the healthiness of the food offer available to all families. The evidence shows that that is absolutely the right thing to do.

On marketing restrictions, another part of the jigsaw is how these foods are marketed, in particular to children, which is of course the central tenet of today’s debate. I thank the Centre for Social Justice and Cancer Research UK—I met both last week—and the Obesity Health Alliance for their recent reports highlighting the marketing of products high in fat, sugar and salt, or HFSS, to children. All are welcome updates that add to the debate.

This month marks 10 years since the first round of regulations to limit children’s exposure to marketing of products high in fat, salt and sugar, when we banned advertising of HFSS products in children’s television
programming. We monitor that closely, including in my own home. At the weekend I tried to explain the premise of this debate to my children and, last night, when I phoned home, they told me that while watching a well-known commercial television channel they saw a slush drink mixed with sweets. Such products are being monitored closely in the Minister’s household as well as by my officials. When I get home, I will ask my children to show me that.

Recently, we welcomed the Committee of Advertising Practice strengthening the non-broadcast regulations to ban marketing of HFSS products in children’s media, including in print, cinema, online and on social media. That point was made strongly by my hon. Friend the Member for Angus (Kirstene Hair) in her excellent speech.

The restrictions that the UK has in place, therefore, are among the toughest in the world, but I want to ensure that in the fast-paced world of marketing—many people spoke about how quickly that world is moving—it stays that way. We heard lots of “go further” calls, including by the hon. Member for Bristol East, and that is why we have invested £5 million to establish a policy research unit on obesity that will consider all the latest evidence on marketing and obesity, including in the advertising space. That is also why we are updating something called the nutrient profile model, which does not sound exciting but is important. It is the tool that helps advertisers determine which food and drink products are HFSS and, as a result, cannot be advertised to children. The purpose is to ensure that the model reflects the latest dietary advice. Public Health England expects to consult on that in early 2018.

Dr Poulter: In that context, what measures are in place or is the Minister considering putting in place regarding online advertising to children?

Steve Brine: I will come on to that—if I do not, I will write to my hon. Friend—so I ask him to bear with me.

My hon. Friend the Member for Erewash, who opened the debate, said that the Department should have the lead on advertising. I am not sure that my friends in the Department for Digital, Culture, Media and Sport will agree, but I understand her point. I have noted that the Department for Digital, Culture, Media and Sport, the Ministry of Housing, Communities and Local Government, the Department of Health and Social Care, the Department for Education and the Department for Environment, Food and Rural Affairs have all been touched on in the debate. I reassure the House that tackling the obesity plan that was published is a cross-Government concern. The childhood obesity plan that was published is a cross-Government plan, and all Departments have a rightful role to play, which continues to be the case as that plan is delivered.

The hon. Member for Westminster Hall, otherwise known as the hon. Member for Strangford (Jim Shannon), spoke well as always. I know he had to leave—he let the Chair and me know that. He spoke about food management and touched specifically on diabetes. He actually said, “If only I had known.” I have heard that so many times. On Friday, I visited a brilliant organisation called LifeLab at Southampton General Hospital, which is partly funded by Southampton University. LifeLab empowers children through scientific inquiry to understand the impact on their bodies of their behaviour, the food that they eat and the drinks that they drink. A new spin-off called Early LifeLab goes into primary schools, while secondary schoolchildren from Southampton, across the south of England and further afield come into LifeLab to understand. So in answer to, “If only I had known,” that is what LifeLab does. I am very interested in looking at evaluations of LifeLab as it goes forward and in how that work might be built into a wider public policy roll-out.

My hon. Friend the Member for South West Bedfordshire made an excellent speech, as he always does. He rightly said that the poor are the most negatively affected, and we have touched on that point. I thank him for his Thailand, Popeye and spinach example. He also mentioned local authorities and planning. Local authorities have a range of powers to create healthier environments in their area through local plans and individual planning decisions. The national planning policy framework makes it clear that health objectives should be taken into account. The DHCLG is in the process of updating the framework to see if other aspects can be strengthened.

I thank my hon. Friend for making that point, and for the offer of a weekend together among the spring tulips in Amsterdam, which is very appealing on a cold January morning in Westminster. He also mentioned the Centre for Social Justice which, as I said, I met last week. I am very interested in its work. He touched on Making Every Contact Count and GPs. He is absolutely right about that and we could do much better. It is a subject that I am sure will come up over dinner later this week when I go to the annual dinner at the Royal College of General Practitioners.

My hon. Friend was intervened on by our colleague, my hon. Friend the Member for St Ives (Derek Thomas), on the daily mile. At every single school that I go into, whether as a local MP or as a Minister, I ask if the daily mile is being done. That has been a brilliant import from north of the border and it is excellent. I hope that every Member who goes into a school talks about the importance of the daily mile and encourages them to do it.

Many other points were made. My hon. Friend the Member for South West Bedfordshire talked about colour coding and the traffic-light system. Our colour-coded, front-of-pack labelling scheme is voluntary at the moment. It covers about two thirds of the market. The hon. Member for Reading East (Matt Rodda) spoke about the imbalance of information. His point was well made, I thought, about manufacturers and industry providing more information than the NHS does in its constituency. I would say that the Government have a strong voice in this debate, and rightly so, which is why we are seeing good progress on delivery of the plan, but we are also investing in the highly successful Change4Life programme which I am responsible for through Public Health England. It informs families about healthier eating. Can we do more? We can, without doubt, in the public health and prevention space.

The hon. Member for Bristol East mentioned the “eatwell plate” in reference to the public sector. To respond, we have in place robust standards for public
sector procurement, the Government buying standards for food and catering services. DEFRA is the lead Department and comes into the story here. It continues to drive compliance across other Departments and among NHS hospitals, which are required to meet the standards through the NHS standard contract. The hon. Lady makes a good point. She also raised the issue of academies, and I understand that the Department for Education will shortly begin a campaign to get them all signed up. I thank her for making that point.

In conclusion, from day one we have been consistently clear that the childhood obesity plan marked the start of the conversation—it has never been the final word. We continue to learn from the latest evidence. We are confident that the measures we are taking will lead to a reduction in childhood obesity over 10 years, but we take nothing for granted and will keep everything under review. I thank all Members for their contributions and look forward to further ones.

10.57 am

Maggie Throup: I thank you, Ms Dorries, and all hon. Members who have contributed to the debate, including the Minister for his response.

We have had some informative, passionate and wide-ranging speeches, for which I thank everyone. The House is truly at its best when it speaks with one voice. I know that the Minister will take note of the strength of feeling on this important issue and act accordingly. Childhood obesity is a ticking time bomb of public health. The Minister has acknowledged that it is a challenge and a cost both to the individual and to the NHS.

My hon. Friend the Member for South West Bedfordshire (Andrew Selous) highlighted some working examples of where bold and brave action has taken place. The Amsterdam example is something that we should all be looking at, bringing together not only national Government but local government, industry and local people. That is so important and the issue is definitely not going to go away.

The health of our nation must be put at the top of our agenda. I believe that by taking a simple but tough stance on junk food advertising now, we will start to make real progress on the issue that will pay dividends in the years to come. As chair of the all-party group on obesity and a member of the Health Committee, I will continue to push for every measure possible to tackle the obesity epidemic well into the future.

Question put and agreed to.

Resolved.

That this House has considered the effect of junk food advertising on obesity in children.

Local Government Funding: Isle of Wight

11 am

Mr Bob Seely (Isle of Wight) (Con): I beg to move, That this House has considered local government funding on the Isle of Wight.

It is a pleasure to serve under your chairmanship, Ms Dorries. I am most grateful to the Minister for attending, and I extend to him an invitation to visit my wonderful constituency. I want to raise the issue of the Isle of Wight’s local government funding, to explain why that system is prejudiced against the Island—why it is not fair—and why recognising that disadvantage and rectifying it would in no way set a precedent. Indeed, I hope that the Minister will see it as the right thing to do.

In this debate, I will focus on local government finance for the Island and I hope to call debates in future to examine the Island factor for health, housing and other policies. Overall, I want to work towards an Island deal that includes a settlement over local government funding but, more broadly, a partnership with central Government across Departments that recognises the unique and valuable role that the Isle of Wight plays in our national life. It is not only about money—although that comes in slightly—but about helping us to make the Island even more of a success.

We are an island. I know that is a statement of the obvious, but I say that because I feel that sometimes Whitehall assumes that we are not really an island in the true sense of the word—surrounded by water. We are an island; we are surrounded by water and we are dependent on the ferries to get us to and from the mainland, which is the bit that the Minister lives on, otherwise known as north island. We have a unique place in the nation’s artistic, cultural, scientific and political heritage. Our geology is unique, too: we have some 70 miles of coastline, parts of which contain the richest dinosaur finds in Europe. Half the Isle of Wight is an area of outstanding natural beauty and, arguably, we should be England’s next national park. We are the largest constituency in Britain, with some 140,000 souls. Ours is a little island, but one that has inspired great things and achievements. I would not wish to be anywhere else.

From a Government perspective, we aim to be national leaders in recycling, in the integrated public services model and in combining health and social care, to name but three areas. However, there is a problem with local government funding. Put simply, the Island’s status as an island is not taken into account. In the 1990s, the John Major Government promised the Isle of Wight a study of the extra cost of being an island. Nothing ever came of that proposal, yet the costs remain. Will the Minister consider honouring that pledge? In the meantime, or instead, I am presenting another option to the Minister.

In a 2015 study by the University of Portsmouth, the extra cost of providing local government services on the Isle of Wight—the island factor—was estimated at £6.4 million per annum based on 2015-16 data, which is an additional 3% on the public service provision. That information is on page 2 of phase 2 of the report, “Impact on Physical Separation from the UK Mainland on Isle of Wight Public Service Delivery”. I have circulated copies to the Minister and to his excellent team of civil servants, whom I also thank for being here. That report has been peer reviewed and is undergoing further review.
The University of Portsmouth broke down those extra costs into three. The first is forced self-sufficiency—the lack of spillover of public goods provision to and from neighbouring authorities. We have an obligation to provide a service on the Island, but sometimes we cannot share costs with the mainland. The fire service is an example of that. The second extra cost is the island premium, which refers to the additional cost of conducting business on and with the Isle of Wight. For the provision of public services, that may refer to the relatively higher prices that may be charged by contractors or reflected in the price of goods and services. We try to be as competitive as possible but, clearly, within a confined space there are limits. The third extra cost is what the university has described as “dislocation”—the costs associated with physical and perceived separation from the mainland. Sometimes referred to as “isolation”, it is a common characteristic of all islands, and it is seen in terms of small area, small population and small market.

Other reports have said much the same. They include the report by Coopers & Lybrand in 1996, the Joint Strategic Needs Assessment in 2000, the report by PricewaterhouseCoopers in 2004, the report entitled “The effects of being an island” by the Isle of Wight Council in 2005, the report by the European Spatial Planning Observation Network in 2013 and the University of Portsmouth report in 2015.

Does the Minister agree that we are potentially dealing with decades of historical underfunding? Does he agree that the review by the University of Portsmouth is academically rigid and backed by a wealth of primary and secondary material?

Moving back a little further, I believe that the Island is a victim of the funding system. I will outline briefly the reasons why. First, we are victims of prejudice in public project funding. The Green Book assessments—the way the Government rate public sector investment—does not work for the Island because we are physically separate. That separation results in a lower cost-benefit ratio. We do not have spillover: I cannot prove that a project that does not work for the Island because we are physically separate.

Secondly, we are isolated, but because we are isolated by water we fail to qualify for the rural services delivery grant, because that grant’s funding basis does not recognise the isolation of being an island and does not take into account physical separation in its definition of isolation. Can the Minister suggest a reason why that may be the case, and what does he think Government could do about that?

Thirdly, the ferries were privatised with no public service obligation. That is a significant and pretty unique error. There appears to be no desire to rectify that situation, yet elsewhere, public money tends to get thrown at locations with isolation issues. On the Isle of Wight, we spend more than £100 million a year on the ferries. What does the Minister think of this situation? Does he think that it is acceptable?

Fourthly, health model funding calculations for over 80-year-olds arguably are seen as inadequate, because of the complex health and adult social care needs of people when they hit 80 and get into their ninth and 10th decades. The Island has more 80-plus residents than the national average, and that has a significant impact on our adult social care costs.

Fifthly, recent NHS reports have simply ignored the island factor, as if the Solent somehow did not exist. Those are just some factors that I bring to the Minister’s attention. Please, do not get me wrong, Ms Dorries: we love being an island, having that wonderful identity and a different festival every weekend, and being a fantastic place that people come to, with our wonderful quality of life. This is not some special pleading, but when Government write the rules they do not seem to take the Island into account.

I am presuming that Government funding formulas are based on the idea of broad fairness. If the Minister says that, actually, they are based on the idea of broad unfairness, I will go away, but I assume he will say that the Government try to be fair. If that is the case, can he please not be permanently prejudiced against my Island, and will he recognise that the Island has issues in public service provision by dint of being an island? As we know, Scottish islands receive extra money from the Scottish islands needs allowance based on a number of factors. Welsh islands seem to have bridges galore. We have none of that. We have only the world’s most expensive unregulated ferries. I asked one of the ferry owners whether there was a more expensive ferry anywhere in the world. He said, “Try the chain link between Cowes and East Cowes.” I thought, “That’s not a great answer.” The Government recognise that islands play a special role in Britain. We would like the same recognition for the Isle of Wight—England’s island.

The fair funding formula is due to be implemented in 2021. A previous Secretary of State said that “the costs associated with being an Island separated from the mainland will be given due consideration...as part of the fair funding review.”

The word “island” appears in the fair funding review technical consultation, along with the question, “Should island status be taken into account?” When I read that, I thought, “Hallelujah.” Clearly, we believe that the answer should be a resounding yes. Will the Minister indicate whether he thinks there is a case for island status being taken into account in the fair funding formula?

We generally have been given two answers at this point: first, “Devolution is the answer to all your problems,” and secondly, “You’re setting a precedent, so we’re not interested.” Devolution is not the answer, for the following reasons. First, there was extraordinarily little information on the Solent devolution package. Secondly, it was clear that that was simply a device to force more housing on the Island. Housing is a problem on the Island. The Government’s housing targets are completely unacceptable, and the current system on the Island serves no one. By building on greenfield sites, we provide housing neither for our youngsters nor for the people on the housing list who need it, and we damage our economy, which is in part dependent on tourism. That is not a conversation for now, but I would like to return to it in due course. Thirdly, the Solent devolution deal that was offered was a Treasury construct. The Treasury is full of wise and
sensible people who have difficult jobs—I respect that—but what looks good in London may not work on the Island. Fourthly, to put it bluntly, there was nothing in the deal for the Isle of Wight.

The key power we want to be devolved is the power to impose a public service obligation on the ferries. The ferries would pay for that—its cost would be covered by their inflated profits—and there would be no reduction in services elsewhere. For the Minister’s information, because he may not be aware of their history, those are the ferries that were privatised badly in the 1980s without a public service obligation and are among the most expensive in the world. Their profits are multiples of the public infrastructure industry standard, and hundreds of millions of pounds of debt have been racked up, which Islanders pay for. Will he support giving us such PSO powers, which may mean having to cap the ferries’ profits and debts? I am genuinely interested in his opinion.

The second answer is that the Government cannot possibly give us an island factor because it would set a precedent. I do not understand that. Are the Government implying that Cornwall is going to dig a ditch a mile wide, fill it with water and declare itself an island? Is Northamptonshire somehow going to up sticks and move? Is Lindisfarne going to go on some three-dimensional steroid programme? I think not. Recognition that there is an island factor for the Isle of Wight would not set a precedent, unless that precedent was the Government accepting that we are a little bit different—a little bit special and unique—and working with us so that the Island became the jewel of southern England, as it was and we hope it will be. Listening to us and working with us on a new deal—an island deal—would set a wonderful precedent.

I thank the Minister for being here. I remind him that the amount of money we seek—£6.4 million—is small. It is a tiny part of Government expenditure. It is a margin of error in the Government accounting system. Whitehall probably spends more on paperclips every month. I also remind him that a previous Government implied that Cornwall is going to dig a ditch a mile wide, fill it with water and declare itself an island? Is Northamptonshire somehow going to up sticks and move? Is Lindisfarne going to go on some three-dimensional steroid programme? I think not. Recognition that there is an island factor for the Isle of Wight would not set a precedent, unless that precedent was the Government accepting that we are a little bit different—a little bit special and unique—and working with us so that the Island became the jewel of southern England, as it was and we hope it will be. Listening to us and working with us on a new deal—an island deal—would set a wonderful precedent.

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I urge the Isle of Wight Council to submit any relevant evidence it has alongside other points it wishes to make in its response to the consultation, which we will consider carefully. Furthermore, I will take the opportunity offered by my hon. Friend to meet him and perhaps colleagues from the University of Portsmouth and his local authority to discuss the findings in more detail, as part of future conversations on the fair funding review. More broadly, I will be encouraging input from all Members and representatives from across local government so that we can work together to create an updated and more responsive local government financial system.
to the Solent local enterprise partnership. Through the LEP, £14.7 million of funding has been invested locally, through the centre of excellence for composites, advanced manufacturing and marine at the Isle of Wight College and the Floating bridge at Cowes. The LEP has also invested £750,000 of regional growth funding, which was used to set up the rural business fund. All of that will help contribute to the Island’s economic growth, leveraging private investment, creating jobs and assisting the rural sector.

Again, I thank my hon. Friend for calling this important debate and for bringing these issues to my attention so early in my tenure. He is right to be ambitious for his Island and to fight for it to get the consideration it deserves. I look forward to working closely with him in the coming months to address the challenges and opportunities he has highlighted.

11.29 am

Mr Seely: I thank my hon. Friend for his words. Just a point of fact: Jack was a great-great uncle and was elected as a Conservative despite the fact that he was a Liberal. It is a long story.

I thank my hon. Friend for recognising our distinct nature, for his words on the Scottish islands needs allowance and for his comments on the fair funding formula, which is so important to us. We will submit much evidence. Finally, although public services debates can sometimes seem arcane, it is important to remember their purpose—to build a fair and just society—for which we all aim.

Question put and agreed to.

11.30 am

Sitting suspended.
Across Merseyside, the two biggest factors driving people to use food banks are low incomes and changes and delays in the benefits system. In the six months between April and September last year, 27% of people in Liverpool said that the main reason they were being referred to the food bank was a low income. These are people in work who are having to use food banks. In recent years, we have seen an increase in food prices. Last year, for example, there was the highest rate of food price inflation for four years. When that is combined with wage stagnation and increasing job insecurity, it means that many of the most vulnerable families in work are taking home less money. Real wages have barely increased in this country for over a decade, and last year they fell by 0.4%. This brings together what might be described as a “perfect storm”, where the price of food is increasing much quicker than most people’s wages. I urge the Government to focus more on measures to tackle the scourge of low pay in this country.

Nationally, the main reason people are referred to food banks is low incomes for families in work. In Liverpool, although that is the case for a significant number, the primary reason is changes and delays in the benefits system. Some 51% of those who used a food bank in Liverpool last year did so because of changes or delays with their benefits. Since 2010, we have seen more than 20 major changes to working-age benefits in this country, and that has affected more than 50,000 households in just the city of Liverpool. Liverpool City Council undertook a cumulative impact assessment of those changes two years ago, and I urge the Minister to work with Liverpool City Council and other local authorities to undertake a current cumulative impact assessment of the impact of benefit changes in communities in not only Merseyside but other parts of the country.

**Alison McGovern** (Wirral South) (Lab): Just before Christmas I walked into my constituency office and saw Juy Glover, my assistant, on the phone to the Department for Work and Pensions for an extraordinary amount of time, trying to resolve somebody’s benefits problem. That was just before Christmas, and that person had to go to a food bank. Does my hon. Friend agree that such incidents are becoming ever more frequent in all our constituency offices, and so we know that this DWP delay is real?

**Stephen Twigg**: My hon. Friend makes a powerful point, and I will now focus my remarks on the set of challenges arising from that combination she described inaccurately of the impact of benefit changes, benefit cuts and benefit delays, and sanctions.

A report by Sheffield Hallam University pointed out how the risks and costs had, in many ways, been passed from central Government to local authorities. From the point of view of Merseyside authorities, this has coincided with a drastic and dramatic cut in central Government funding for those local authorities.

As it has been implemented, universal credit has had an impact on debt and therefore on food poverty. In an article published this weekend, my hon. Friend the Member for Stretford and Urmston (Kate Green) suggested a number of changes the Government could make to universal credit that would have a real impact on communities such as those across Merseyside. Two of her suggestions are relevant to today’s debate. One is to urge the Government to follow Labour’s example and commit to passporting every family on universal credit to free school meals in order to avoid cliff edges when household earnings increase. Secondly, she suggested that claimants should be able to choose to receive their universal credit payments fortnightly to minimise the risk of households running up debts while they wait for payments. I urge the Minister to consider those two very positive suggestions from my hon. Friend.

A former Minister at the Department for Work and Pensions wrote in a letter to Liverpool City Council:

“The suggestion that benefit delays are responsible for an increase in foodbank usage is unfounded”.

That is completely at odds with what I hear when I volunteer at my local food bank and with all the information that I have received from a range of local organisations in preparing for today’s debate. I ask the new Minister, whom I welcome to his position, to take a different view from that of his predecessor and instead to support the view of the Trussell Trust that changes to benefits are forcing people to turn to food banks. If he is not prepared to take that position, I would like him to give the House his alternative explanation for the eightfold increase in the number of people using food banks.

Food poverty is a growing public health concern. A lack of access to the nutritious food needed for a balanced diet increases the burden on the health service. Liverpool has seen a significant rise in the number of fast food outlets coincide with a rise in food poverty. The city of Liverpool has the 34th highest density of 325 local authorities, and the areas with the highest density tend to be in the most deprived parts of the city. One of the strongest measures of a healthy diet is how often people manage to eat five portions of fruit and veg a day. Liverpool has the 29th lowest proportion of the population managing that; Manchester is the only core city with a proportion that is lower still.

Liverpool City Council has tried to address the challenge by teaming up with a brilliant local social enterprise, Can Cook. Using donations, Can Cook has produced food packages containing predominantly fresh food, feeding local people with nutritious food for five days. I take this opportunity to praise the work of Can Cook in its efforts to make healthy food parcels available to people, and to thank the *Liverpool Echo*, which teamed...
up with Can Cook for a significant fundraising campaign in 2016. That is just one example of the ways people are helping to meet the needs for food and other essential items. The average award is £91, and Liverpool City Council made over 10,000 awards, of which 8,000 were for families in urgent need. The council is also helping with discretionary housing payments for people who need extra help with their rent. The original budget for that scheme was £2.7 million, but the sheer demand has meant that the council has found another £600,000 for it. That highlights a number of things, including the impact of the bedroom tax on communities across Liverpool.

The Mayor of Liverpool, Joe Anderson, has established the Mayoral Hardship Fund, a special £2 million fund over three years, set up specifically for the council to be able to respond to the exceptional and growing pressures on Liverpool residents who are on a low income. Those schemes have become a life support system for some of the most vulnerable families in the city, who are facing years of austerity, wage stagnation and benefit changes. I ask the Minister to join me in praising the city council for doing that, to tell us what the Government will do to support Liverpool’s efforts to protect the most vulnerable and to say whether they will encourage other local authorities in other parts of the country to establish similar schemes.

I will finish by talking about one of the many brilliant community organisations in my constituency, which works with some of the poorest and most vulnerable. The organisation is called Croxteth Gems, and before Christmas I was pleased to team up with it to help with its “12 Days of Christmas” campaign. Jean Hannah, who runs the organisation, tells the story of a family she visited in Croxteth a couple of years ago, who were on hard times. Jean arrived at their home and was shocked to see that, rather than an actual Christmas tree, the family simply had a picture of a Christmas tree. They could not afford a tree or Christmas decorations. The “12 Days of Christmas” campaign sought to ensure that some of the poorest families in Croxteth were nevertheless able to enjoy their Christmas. Originally, the aim was to help 100 families, but the strength of the local community response was such that Jean and her team were able to deliver food, clothes, Christmas trees, decorations and presents to 136 families, benefiting over 350 children.

Croxteth Gems does work like that all year round. It was originally set up to provide play and youth services, but because of the reality of food poverty, it has increasingly had to serve food to hungry children. One thing it does during school holidays is to provide play to children in the local area, and provide meals as part of that. It is now helping to support a local school to provide a breakfast club for over 70 children throughout the school year. The additional work it does, beyond its core mission, has only been made possible by generous donations from the local community.

I know that my right hon. Friend the Member for Birkenhead (Frank Field) has led some excellent cross-party work urging that there should be free school meals for children during the school holidays. That measure would make a difference to some of the poorest and most vulnerable families in Merseyside and, indeed, in other parts of the country. I know there is a private Member’s Bill on the subject on Friday’s Order Paper; I urge the Minister and the Government to give serious consideration to supporting that proposal to help some of the poorest and most vulnerable children be fed throughout the school holidays.

There are organisations up and down the country like the ones I have referred to—Croxteth Gems and the North Liverpool food bank—stepping in where the state has failed. I also particularly thank Fans Supporting Foodbanks, which has brought together Everton Supporters Trust and Spirit of Shankly—Liverpool’s supporters—to mobilise football fans in Liverpool in support of our local food banks.

I want to see an end to food poverty not just in Merseyside, but across the whole of the United Kingdom. For that to happen, it will require a fundamental change in Government policy on benefits, wages and the funding of local authorities. I am pleased to have had the opportunity today to highlight the scale of the challenge we face and to pay tribute to the amazing response of local communities across Liverpool. Local people have risen to the challenge of addressing food poverty. I urge the Minister and the Government to change course so that together we can finally defeat food poverty once and for all.

Maria Eagle (Garston and Halewood) (Lab): I will begin by congratulating my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) on securing the debate. It is tremendously important that this issue, which is of long standing and is worsening, is highlighted as regularly as possible. When I was shadow Secretary of State for Environment, Food and Rural Affairs, we repeatedly held Opposition day debates in the main Chamber on this matter. I remember those debates going back to 2012-13, yet the Government, as far as I am aware—the Minister will correct me if I am wrong—are still not collecting statistics on the amount of food bank use and the reasons behind it.

I find it amazing and disgraceful that the Government of one of the richest countries in the world—although we are slipping down the league—do not care enough that many of their citizens have to feed their families by going and collecting food given to them to make them research why it is happening and what can be done about it. I must say that that does not seem to stop Ministers writing to those of us who raise these issues with them, asserting that the Government are not at fault, and that benefit delays and changes are not at fault; my hon. Friend the Member for Liverpool, West Derby read out an example. How Ministers can say that, when they do no research into what the reasons are, is utterly beyond me. I have been calling for the Government to research this for years, but so far as I am aware they have still not undertaken to do so.

I welcome the new Minister to his place; I predicted that he would respond to the debate, because it is always the newest Minister in the Department who draws the shortest straw and has to deal with these debates. I sympathise with him. In my experience, these debates are always a hot potato for the Government; they cannot decide which Department should answer, because nobody in government is responsible for food poverty.
The Department for Environment, Food and Rural Affairs does not want to do it, the Department for Work and Pensions does not want to do it and the Cabinet Office does not want to do it. The short straw used to be drawn by the Minister with responsibility for volunteering, but that post appears to have disappeared from Government. However, we have not yet had the updated list of ministerial responsibilities—a week after the reshuffle—so we do not know for certain that that is the case. It looks like, at least for the present, the new Minister has drawn the short straw and caught the hot potato and will have to deal with the matter.

He will have to deal with it, because those of us who represent constituents who have to go to food banks regularly in order to feed their families will never stop raising the issue with the Government until something is done to alleviate the problem. It is not good enough for the Minister to say—I hope he will not do so today—that it is just one of those things, that it is nothing to do with the Government and that they have reduced the number of benefit delays. The fact is that the biggest reasons by far for people resorting to food banks, certainly on Merseyside, are still changes in their benefits, sanctions on their benefits and so on.

The other big reasons why people go to food banks, which my hon. Friend the Member for Liverpool, West Derby referenced, are that, even though they are in work, their income is not regular enough, they do not have guaranteed hours or they are on zero-hours contracts. They do not know when the next pay cheque is coming and they have fixed costs, such as rent and other bills, which means that there are times when they simply cannot afford to feed their family.

If the Minister has anything in his speech about the best way out of poverty being work, I suggest to him right now that he crosses it out. I see him getting his pen out now; that phrase will be in his speech a lot. It is not the case in Liverpool that the best way out of poverty is work, because many people who work hard still cannot afford to feed their family. If that is the Government’s only response, they are simply complacent. In fact, if the Minister commissioned research about why people use food banks, he might actually have some real evidence that that is the case, instead of the anecdotal evidence that we get at our constituency surgeries.

The South Liverpool food bank in my constituency has seen ongoing increases in people asking for help over the years. Not only was there a 10% increase between 2015 and 2016 but last year it went up again. In 2015-16, 3,890 people in the Liverpool end of my constituency accessed a food bank. The figure last year went up to 4,076, more than 1,700 of whom—almost half—were children. In 2005-06, 2,894 accessed a food bank across the entire country, but there are now more than 4,000 just in my constituency, so when I say it is a disgrace that the Government do not collect statistics and research why this is happening, I mean it. It is a problem that they appear not to care about, because they do not seem to be finding out why it is happening and coming up with a policy for dealing with it. When we talk about our constituents going hungry or children not being able to concentrate at school and losing weight over the summer because there are no school meals, it is simply not good enough that that is our Government’s attitude.
Clarion soup vans, of the initiatives organised by the early labour and socialist movement and of Bessie Braddock and her mother, Mary Bamber, who used to go around cooking food for unemployed people, who were in a desperate state at that time. We should not be going back to that.

The Minister has to make sure that his Government try to stop this happening and do not simply ignore the problem, refuse to collect statistics on it, blame the victims for what is going on and insinuate that because food is free, of course people go and access it. We have a large and growing crisis of food poverty in our city and in this country. It is my contention that the Government are doing nothing to tackle it. They will not collect statistics on why it is happening, and things are set to get worse this year, with the roll-out of universal credit.

It is not enough for our Prime Minister to stand on the steps of Downing Street and assert that she is going to do something for people who are struggling or just about managing, and then do absolutely nothing to help people who cannot feed themselves or their families, not through any fault of their own but because this Government have removed support for them via the local authority and the benefits system. The Government are not trying to make sure that work pays and that if one works for a living, there is enough in the wage packet to feed a family. That is where this Government are falling down. It is a disgrace, and I wait to hear from the Minister that he at least is going to do something to tackle it.

3.1 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir David. I congratulate my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) on securing this debate on such an important issue.

We should be clear that it is an absolute disgrace that there are so many people suffering from hunger and poor nutrition in this prosperous country in 2018. Food poverty is, of course, part of more general poverty. People in poverty juggle between providing for essential needs such as eating, keeping warm and keeping housed, and too many people face the impossible choice: heat or eat? How can it be just that so many people, including children, are going hungry?

Let us look at what is happening in Liverpool, where the city council has already lost 58% of its disposable income. That figure will reach a massive 68% by 2020. The Liverpool mayoral action group’s important and groundbreaking report shows the cumulative impact of 20 cuts made to benefits, including benefits for people in work, since 2010. My hon. Friend the Member for Liverpool, West Derby referred to that. Those cuts resulted in a loss of £157 million for Liverpool people by 2016. That means that 55,000 people have been affected by a reduction in their income, which was already too low to meet basic needs. The principal groups of people who have lost out are those who are long-term sick, disabled, in insecure jobs or in jobs with insecure and changing incomes and many families with children. Those problems will be exacerbated by the full roll-out of universal credit across Liverpool this year.

Inadequate income to meet basic needs leads inevitably to food deprivation. People are constantly juggling between having enough to eat, keeping warm and keeping a home. That is intolerable. My hon. Friends have referred to the work of food banks and the disgraceful situation of so many people needing to rely on emergency food supplies to survive. Between October 2016 and September 2017, 8,732 emergency food vouchers had been redeemed at one of the three Trussell Trust food banks in Liverpool, feeding 18,456 people. That is divided between 11,500 adults and 6,900 children. What a terrible situation in 2018. The main reason for this abominable situation is benefit cuts and people on low incomes, in unstable jobs and getting an irregular income.

The fact is that people are suffering. The situation is increasingly disturbing. The Liverpool public health report for 2016-17 makes alarming reading. It records that 27% of children in reception classes in Liverpool are obese, as are 38% of children in year 6. Obesity is closely linked with food deprivation and poor nutrition. That report records a disgraceful and horrendous figure—a significant rise in hospital admissions for malnutrition in women of childbearing age and young people. It is hardly believable that such a thing is happening in our day and age. The report also shows that, in 2016, provisional data demonstrate that there were 39 infant deaths in the city—the highest recorded figure since 2005. What a horrendous situation that, in 2018, in a prosperous country, more people are being admitted to hospital for malnutrition and there are more infant deaths. Those are things that nobody would believe unless they saw those figures in Liverpool’s public health annual report.

What is being done to address this woeful situation? Liverpool City Council must be commended for its efforts. My hon. Friends have referred to a number of steps that the council is taking. The city Mayor’s action group on fairness and tackling poverty has identified food poverty, together with deprivation in fuel, clothing and housing, as a key concern requiring investigation and action. It has implemented a series of practical measures, including issuing crisis financial investigation and action. It has implemented a series of practical measures, including issuing crisis financial awards for food and mitigating the impact of Government cuts on the income of vulnerable people by using discretionary funds—funds that are increasingly under pressure.

Many of the people receiving those funds because they are in an emergency and a desperate situation are in work. Let us do away once and for all with the myth that people who are suffering in poverty are in some way feckless or do not want to work. That is an outrageous untruth or, if I am allowed to use the word in Parliament, a lie. That is what that charge is.

Liverpool City Council has also instigated healthy living public health initiatives, which are very important. The basic cause of the problem is a lack of income. It is right that people are given the fullest possible information about how to make best use of an inadequate income and basic information about nutrition and how to access nutritious food. That work is important.

Maria Eagle: Does my hon. Friend accept that, no matter how much good work the Trussell Trust food banks do, the food that they hand out is tinned, dried, fatty and full of sugar and salt? That is not the best way to build a healthy diet. Those dependent on food bank usage are automatically getting poor-quality food, through no fault of the people who are helping to hand out that emergency support.
Mrs Ellman: My hon. Friend makes an extremely important point. The work of food banks is excellent and very much appreciated, but of course they depend on the food that is given to them, and she has pointed out some of the consequences.

Liverpool City Council has done a great deal, and I have referred to some of that work, but it cannot solve the problem that the Government have created. Although the invaluable work of the Churches and the voluntary sector is a crucial lifeline for many, that alone cannot remove poverty, hunger and poor nutrition. The Government have a responsibility to resolve the problems that they have created. I look forward to hearing the Minister’s proposals on how he will change this deplorable situation.

3.10 pm

Ms Marie Rimmer (St Helens South and Whiston) (Lab): It is a pleasure to speak under your chairmanship, Sir David. I congratulate my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) on securing the debate.

Food poverty is at epidemic levels across Great Britain. As my hon. Friend said, it was defined by the Department of Health as “the inability to afford, or to have access to, food to make up a healthy diet”.

We question “a healthy diet”. Under the current Government, we have seen a 122% increase in the number of people admitted to hospital with malnutrition. For the most part, that is because a good diet is simply out of reach financially. In 2016-17, there were 806 admissions to hospital of people suffering from primary malnutrition in England. Food price increases, welfare reforms, wider Government cuts and insecure, low-paid employment are at the root of this crisis. An increasing number of our citizens are living in genuine deprivation.

I have seen the problem of malnutrition in my own constituency, where 74 people were admitted to my local NHS trust—St Helens and Knowsley— with diagnoses of primary or secondary malnutrition in 2015-16. Unfortunately, the data is not divided into primary and secondary at local level, and we know that secondary malnutrition can be related to other illnesses.

Why is this happening in the sixth wealthiest country in the world? Put simply, we have become so profoundly unequal that last year’s Sunday Times rich list stated that it was “Boom time for billionaires” in Britain. Well, the Government have certainly addressed that situation. The £20 billion-worth of tax cuts under this Government have largely benefited the wealthy, and there have been increases in indirect taxation, which disproportionately affects the less affluent in our society—the very people we are talking about—and more than cancels out the benefits of any direct tax cuts from which they might have benefited. Research published last year indicates that we are now the most unequal society in Europe, both socially and economically.

Let me tell hon. Members about the experience of many of my constituents. They are often plagued by low-income, insecure employment and never have any opportunity to save for a rainy day. They are often people who are unemployed through no fault of their own, who are in between jobs or, in some cases, longer-term unemployed, and, of course, those who are affected by benefit delays and changes. People affected by benefit delays and changes make up 43% of food bank referrals nationally and 42% of referrals in my constituency.

Other crises bring people to food banks: being without benefits altogether, which can happen for a variety of reasons, including waiting for claims to be processed, debt, delayed wages, domestic violence, not having recourse to public funds, and homelessness and sickness. All the people affected have been let down by a Government who are bent on cutting the social safety net from under them even though they can make £20 billion of tax cuts.

Food aid organisations are doing a sterling job of plugging an ever-widening gap, and I pay tribute to the volunteers at food banks up and down the country. I have volunteered in my constituency how hard the volunteers work in St Helens and Knowsley to ensure that families have access to the supplies that they need. In the six months from April to September 2017, the Trussell Trust recorded that, in Merseyside, three-day emergency food supplies were handed out to 16,761 adults and, appallingly, 10,145 children. That is without the likely spike in use in the months leading up to Christmas and over Christmas.

The St Helens and Knowsley food banks have provided me with ward-level data relating to food bank use in my constituency. It is shocking. In 2017, 2,134 of my constituents were recipients of supplies from the food bank in St Helens, where my constituency has seven wards, and 40% of the recipients were children. I am told that the full data for December has yet to be collated, which means that the true figure is even higher.

I was deeply shocked to see that nearly one quarter of the recipients were concentrated in just one ward of my constituency. Knowsley food bank, from April 2017 until the present day, has fed 648 of my constituents, 44% of whom were children. Knowsley accounts for just two wards in my constituency.

It should be noted that the data is provided by the Trussell Trust itself. As many colleagues have said, the Government do not collect any data whatever, on either the levels of food bank use or the number of food banks. The Government say that that is to avoid placing an undue burden on food bank volunteers, but I argue that it is to try to minimise the focus on the fact that, under this Government, people are going hungry at astonishing and unforgivable rates.

FareShare Merseyside has told me that it was busier than ever in redistributing surplus food from the food industry to charities and community centres in 2016-17. It is not just food banks that are helping. They do a significant job, but there is lots going on. In that year, FareShare Merseyside contributed towards in excess of 1,142,000 meals across the city region, feeding more than 19,000 vulnerable people every week. In St Helens alone, it has 14 member organisations to which it provides food.

The Government do not collect any data on children arriving at school hungry. Why are our schools providing breakfast to hundreds of thousands of children? Teachers noticed children could not concentrate to learn and were sleepy, simply because they were hungry. “You can always tell if a child has eaten breakfast—they concentrate more in class and behave better, too.” That is what teachers say.
Forty-three per cent of teachers recently polled in a survey believe that their breakfast club may have to close in the next few years. Nationally, that equates to 6,700 clubs, which feed 200,000 children. Eighty-six per cent of those polled said that the closures would be down to lack of school funding. Schools, local government and everybody who helps are affected by cuts. Most worrying of all, more than one third of teachers in schools with breakfast clubs that have already closed down said that they had noticed a decline in exam results, and then the Government tell us that Merseyside is not doing too well on education. A lack of decent, nutritious food must not hold our children back for life. The Government should be ashamed. They should stop lecturing us about children not learning and start feeding the children. What is happening will serve only to entrench the social divide in the UK for generations and it must be stopped.

Almost 30% of my constituents are paid below the Living Wage Foundation’s living wage of £8.25 an hour. That is simply not enough to get by on, let alone to save to provide a cushion to fall on. In my constituency, 27% of the children—more than one quarter—live in poverty. In addition, a higher proportion of my constituents than average suffer from long-term sickness—38% of the working age population.

The Government’s policies actively contribute to the situation, causing starvation. Their own Secretary of State resigned after the 2016 Budget because of the planned £3 billion of cuts to universal credit, among other policies, which cumulatively saw the poorest families—2.5 million of them—up to £2,100 a year worse off, when the Government were cutting £20 billion off tax for those at the top.

The recent reduction from six weeks to five weeks for receipt of universal credit payments is not enough. Delays will remain a contributing factor in food poverty. The Government are tinkering at the edges of a crisis. In areas where universal credit has been rolled out, food bank use has increased by 30% in the following six months. It is immoral to expect families to survive for five weeks with nothing. I fear for my vulnerable constituents in low-paid, insecure employment, who have never—and nor have their extended families—been able to afford to save. The Government are also granting applications for an advance of universal credit. I believe that that must immediately be changed to an up-front advance as part of all applications for universal credit, with an opportunity to opt out of the advance, rather than having to ask for a loan or advance.

On 11 January the DWP’s consultation on free school meal eligibility criteria—and an earnings threshold of £7,400 as a requirement for a child to receive a free school meal—closed. The same Government who implemented £20 billion of tax cuts are consulting on reducing the eligibility criteria. Despite Ministers’ insistence that 50,000 more children would qualify, the Children’s Society is adamant that the measure would mean more than 1 million children losing their school meal—which, nearly always, will be the only meal they have. In the region of Merseyside, just under 24,000 would no longer have free school meals, and in the two local authorities that cover my constituency, St Helens and Knowsley, 4,300 children would no longer be eligible for a free school meal. The consultation is over. There must not be any reduction in the eligibility criteria for free school meals, or some children could lose the best source of nutrition they get in a day.

I am pleased to be opening Company Shop and Community Shop in my constituency next week—I am pleased because it will bring help, but not pleased that it is needed. I applaud the initiative, which works with big-name retailers and manufacturers across the country, taking surplus food and products from them. That enables food prices to be significantly reduced, and leaves families with a sense of pride in purchasing their own goods. Many families do not go to the food bank because their pride does not allow them, so many more than we know about are hungry. I am delighted to hear that new jobs will be created as a result of the shops opening. Poverty is not inevitable. It is a result of Government inertia and incompetence, and their immoral behaviour towards people. The Government owe vulnerable people their dignity and must work to build a more just society.

3.22 pm

Margaret Greenwood (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Mr Crausby. I congratulate my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) on securing this important debate and making such a compelling speech. I join him, as I am sure all Merseyside MPs do, in paying tribute to the food bank volunteers who work so hard to address the needs of those who need help to feed themselves and their families.

We have had some fantastic, passionate contributions, in which the points were made incredibly well. My hon. Friend the Member for Garston and Halewood (Maria Eagle) spoke with passion about the Government’s years of failure to collect the statistics needed to understand the situation. My hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) spoke about the disgrace of food poverty in this country, and the impact of hunger on public health, with particular reference to the increases in the number of people admitted to hospital with malnutrition and in the number of infant deaths. My hon. Friend the Member for St Helens South and Whiston (Ms Rimmer) spoke passionately about the huge inequalities of wealth in society. Her claim that poverty is not inevitable rings true. There were also good interventions from my hon. Friends the Members for Wirral South (Alison McGovern) and for Wallasey (Ms Eagle). I welcome the new Employment Minister to his post.

I believe that the debate is timely. This morning the Institute for Fiscal Studies published a study showing that one in four of Britain’s poorest households are falling behind with debt payments or spending more than a quarter of their monthly income on repayments. Earlier today the Office for National Statistics also published the latest data on food prices. Despite a slight fall in the rate of inflation compared with November, the price of food was still more than 4% higher in December, compared with December 2016.

The full service of universal credit is being rolled out on Merseyside and, despite the changes announced by the Government at the end of last year, leading voluntary organisations make it clear that universal credit has not yet been fixed. It was introduced in Bootle in October
and in Wirral in November, and over the year it will spread to the rest of Merseyside, finishing with Everton and West Derby in December, at least if the Government stick to the current timetable. I want to underline the point that food poverty is just one aspect of the pressures that people on very low incomes face. They can face appalling choices such as whether to heat their home or go hungry. Parents may skip a meal so that their children can eat. Those are choices that no one should have to make. The British Medical Association and the Royal College of Paediatrics and Child Health highlighted the link between poverty and poor diet in reports last year, and went on to point out the impact on health not just in childhood, important though that is, but over a much longer period.

The Government do not collect or publish statistics on the number of people seeking help from food banks, despite years of pressure to do so from the Opposition and voluntary organisations. The Trussell Trust, the largest organisation of food banks in the UK, does not seem to find it a problem, and nor have any of the organisations that I have contacted for help on Merseyside, so I ask the Minister once again whether the Government will produce statistics on the number of people receiving help from food banks. We need to know not just how many people seek help but for how long. The Trussell Trust statistics show that in 2016-17, 37,000 adults and 24,000 children were helped by their Merseyside food banks.

The situation varies across Merseyside. Areas such as Birkenhead, Liverpool and Knowsley have the highest rates of poverty, but it is also striking that in some relatively affluent areas. In 2017, Wirral food bank distributed 109 tonnes of food. In the north-west as a whole, between April and September 2017, Trussell Trust food banks gave more than 87,000 three-day food supplies to people in crisis, compared with nearly 78,000 during the same period in 2016. That is a 12% increase. The Government commissioned a report from the University of Warwick, which was published in 2014, and one of the points that it made was that people seek help from food banks as a last resort. The fact that so many people are in that situation should be a major concern.

Many of my colleagues have spoken clearly about the reasons why people turn to food banks. The Trussell Trust found that of the people accessing its support 43% did so as a result of benefit delays and changes and 27% did so due to low income. Those are things that the Government can take action on, as my hon. Friend the Member for St Helens South and Whiston pointed out. The length of time for which people wait for an initial universal credit payment has been a major reason for social security delays, if by no means the only one. That also increases the likelihood that people have to turn to a food bank more than once.

Last April the Trussell Trust warned that food banks in areas where the full service of universal credit had been introduced in the previous six months had a 30% average increase in requests for help compared with a year before. From this month, people will be able to ask for a 100% advance on the first payment, and from February the initial five-day waiting period will be removed. Will the Government make a commitment to publish regular statistics on whether they are meeting the new target of five weeks for initial payments, as well as figures for the number and percentage of claimants asking for advances, so that we can have an idea of how far removing the five-day waiting period is affecting the need for advances?

If people are sanctioned, they can be referred to a food bank by the Department for Work and Pensions. The latest statistics for sanctions published by DWP show that the sanctions rate increased by more than 3% in the last quarter. Will the Minister look seriously at introducing a yellow card system and non-financial sanctions, as suggested by the Work and Pensions Committee, to help to reduce the number of people who need help from a food bank? Ten per cent. of the people who sought help from Wirral food bank last year were in employment. That is one reason why it is so important for the Government to reverse the cuts to work allowances for universal credit. Will the Minister urge his new colleagues to do that?

A study published by the University of Oxford for the Trussell Trust, in June 2017, found that people using food banks were likely to belong to groups that are most affected by recent reforms to social security: disabled people, lone parents and large family households. Those groups are particularly affected by universal credit and the changes introduced last April. In the study, more than 50% of households that had received help from a food bank included a disabled person. Mental health conditions affected people in a third of the households. The basic disabled child element in universal credit is half that of the disability element in child tax credit. There is no severe disability premium in universal credit, which means that disabled people who would have been entitled to it will be £6.5 a week worse off than tax credit recipients.

Maria Eagle: Does my hon. Friend accept that many disabled people have special diets and a requirement to eat or not eat certain things? Neither food banks nor the emergency support that they normally access take that into account.

Margaret Greenwood: My hon. Friend makes an important point, and for many disabled people, the need to heat their home is also a bigger element in their weekly bills.

Will the Government reverse the cuts to support for disabled people in universal credit? Those cuts will have an increasing impact as universal credit is rolled out to a wider range of claimants. Lone parents and their children constitute the largest number of people receiving help from food banks overall. A study for the Equality and Human Rights Commission found that lone parents were set to lose around 15% of their net income on average—around £1 in every £6—and that households with three or more children could lose as much as £5,400 per year. Will the Government look again at reversing the two-child policy, and heed the warning from the Resolution Foundation that cuts to the work allowance could act as a disincentive for some lone parents to work additional hours, once they have entered employment doing a smaller number of hours at the start?
The Government recently announced that children would be eligible for free school meals if their family's income was £7,400 per year or less, excluding social security. That creates a cliff edge in universal credit, which could create a disincentive for people to work additional hours—that has always been the Government's argument against tax credits in general. Free school meals are worth £2.30 per child per day, which over a 38-week school year works out at £437 per child. The Resolution Foundation has calculated that crossing the threshold by earning more than £7,400 a year would effectively mean losing £11 a week in income, and it would take £30 of earnings to claw that back, given the universal credit taper rate. Eligibility for free school meals is another area where families lose more the larger they are. People in insecure work whose income may fluctuate from week to week could face a difficult choice. Will the Government act to avoid families being put in that situation by removing the cliff edge and ensuring that all children in families who receive universal credit are eligible for free school meals?

To conclude, let me underline the seriousness of the situation. New figures this morning show that food prices are still increasing by more than 4%. There is a freeze in key working age benefits until 2020, and wages are stagnating for those in work, particularly those on low incomes. Universal credit is far from fixed, and aspects such as the low level of support for disabled people and the cliff edge for eligibility for free school meals have received much less attention. The Government should act to fix those problems with universal credit at an early stage before people are driven into extreme poverty, and they should return to the original principles of universal credit to ensure that work always pays. They need to tackle poverty, not push families into it.

Just as people are experiencing multiple forms of destitution, there may be more than one reason why someone is forced to turn to a food bank for help. If those groups most likely to use a food bank—disabled people, lone parents, and larger families—are also those who have been hit the hardest by cuts to social security support since 2012, and by cuts to local authority spending and a reduction of services in their areas, then the social security net is clearly not doing the job it is designed to do. It should be protecting people in their time of need.

3.33 pm

The Minister for Employment (Alok Sharma): It is a pleasure to serve under your chairmanship, Sir David, in this important debate—my first as Minister for Employment—and I congratulate the hon. Member for Liverpool, West Derby (Stephen Twigg) on securing it.

The Prime Minister is absolutely clear: the Government are committed to building a country that works for everyone, where no one and no community is left behind. I would like to think that all Members of the House share that ambition. I completely agree that we need to provide appropriate support for the least well-off and most disadvantaged people in our society, and we must do all we can to improve their lives and the lives of their children. Part of that is making sure that people get help with the cost of living.

Several hon. Members rose—

Alok Sharma: Perhaps I may make a little progress—there will be plenty of time to intervene.

The introduction of the national living wage has given the UK’s lowest earners their fastest pay rise in 20 years. With the increase in personal allowances, the Government have cut income tax for more than 30 million people and taken 4 million low earners out of income tax altogether.

Ms Angela Eagle: The Minister speaks about the income tax threshold, but does he realise that most of the people we are talking about are on zero-hours contracts and really low pay, and they do not pay income tax? None of those tax giveaways have any effect on their weekly income.

Alok Sharma: Four million of the lowest earners have been taken out of income tax altogether, which I hope the hon. Lady will welcome. A typical basic rate taxpayer will now pay over £1,000 less in income tax than they would have done seven years ago.

Maria Eagle: If what the Minister describes is supposedly helping the situation, how does he explain the fact that year on year in Liverpool, the number of people who have to go to food banks to get help with feeding themselves and their families is increasing?

Alok Sharma: Perhaps I may make a little progress, and hopefully I will provide some of the answers that the hon. Lady is looking for.

We plan to further increase the tax-free personal allowance to £12,500 by the end of this Parliament. Working parents are now entitled to up to 30 hours of free childcare, saving them around £5,000 a year. I hope that, whatever our political differences, all Members of the House will welcome those measures. We have also frozen fuel duty, saving the average car driver £850 over the last eight years, compared with the pre-2010 fuel duty escalator.

Mrs Ellman: The information the Minister provides is, of course, welcome, and we are familiar with those announcements. Does he agree that the people in Liverpool, and Merseyside generally, who are going hungry—the people to whom Labour Members are referring today—are those who are, in the words of the Prime Minister, “left out”? What is he going to do about it?

Alok Sharma: Let me come on to that—there is plenty of time left in the debate.

The basic state pension is now at one of its highest rates relative to earnings for over two decades, reversing the trend of decline that we saw between 1997 and 2010. Ultimately, however, work is the best route out of poverty.

Maria Eagle rose—

Alok Sharma: I thought that the hon. Lady would react as she did, but she should not take my word for it. Let me quote from a recent report by the Joseph Rowntree Foundation:

“People who live in workless households have much higher rates of poverty than those who live in households where at least one person is in work... Rising employment, skills and pay contributed greatly to reductions in poverty over the last 20 years.”
Maria Eagle: The biggest reason now for food bank use in Liverpool—apart from benefit delays and the things that the Minister’s Department does to people—is low income. It is people who are in work, so his point is simply not accurate.

Alok Sharma: I am not sure that I completely understood the hon. Lady, but I was quoting from a report by the Joseph Rowntree Foundation. If she feels that it is inaccurate, she should talk to someone there.

Maria Eagle: Perhaps the Minister will allow me to try again. One of the main reasons that people go to food banks in Liverpool is low income. The income they get comes from work—they are working-age people who are working but do not have enough money to feed their families. The Joseph Rowntree Foundation report is about a countrywide situation. I am talking about what is happening in Liverpool and to my constituents. A lot of people are in work but cannot afford to feed their families on the income they receive. It is simply not good enough for the Minister to say that that is not a problem.

Alok Sharma: I did not say that it is not a problem, and of course I want to ensure that everyone, both in Liverpool and across the country, gets the help they need. Adults in workless families are four times more likely to be in poverty than those in working families, and children who live in workless households are five times more likely to be in poverty than those in a house where all adults work. We want to see more people in work, and we want to support more people into work. In recent years, the Government have undertaken the most ambitious reform to the welfare system in decades to ensure that work always pays. This reform is already delivering real and lasting change to the lives of many of the most disadvantaged people in our society. Nationally, there are almost 1 million fewer workless households than in 2010. Indeed, workless households are now at an all-time low. In the north-west, the region that many Opposition Members represent, there are around 87,000 fewer workless households than there were seven years ago.

Stephen Twigg: I am grateful to the Minister for giving way. In a sense, he is answering the earlier question, because if the numbers of workless households are complex reasons why people use food banks. I want to go back to the point about work being the best route out of poverty. It is the case that across the country around 75% of children from workless families moved out of poverty when their parents entered full-time work.

Let me come on to universal credit.

Ms Rimmer: Will the Minister give way?

Alok Sharma: I will make some progress. I have taken a lot of interventions. Perhaps the hon. Lady will let me continue for a moment.

When it comes to reform, universal credit lies at the heart of transforming the welfare system. Universal credit supports those who can work and cares for those who cannot, while being fair to the taxpayer. I would just say to the hon. Member for Garston and Halewood (Maria Eagle) that before this role I was the Housing Minister and I had the opportunity to do an engagement tour around the country, meeting social housing tenants with the aim of producing a Green Paper, and I met around 1,200 social housing tenants across the country. There was a discussion around universal credit and I have to tell hon. Members that the vast majority of people I talked to felt that, in principle, universal credit was absolutely right: it is simple, it makes sense and it helps to deliver the benefits that people need on a timely basis. I will come on to talk about the changes that were introduced in the Budget, because we always want to ensure that things can be done better.

Maria Eagle: The Minister is being very generous with interventions. Given the statistics he has read out, which are trying to show that things are getting better in terms of poverty reduction and more people being in work, can he please explain why the number of people on Merseyside who are having to access food banks in order to eat and to feed their families is still going up?

Alok Sharma: I will come on to that point, but there are complex reasons why people use food banks. I want to go back to the point about work being the best route out of poverty. It is the case that across the country there are 600,000 fewer workless households than there were seven years ago. In the north-west there are 100,000 fewer people in absolute poverty compared with the three years up to 2010.

Of course, we want to do everything that we can to make sure that those numbers go down further. Let me explain what we are doing in welfare reform to make that happen.

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Of course, we want to do everything that we can to make sure that those numbers go down further. Let me explain what we are doing in welfare reform to make that happen.
Maria Eagle: It doesn’t.

Alok Sharma: I have to disagree with the hon. Lady’s comment from a sedentary position. It does, because for every extra hour people work, they get to keep more of the money they earn.

Universal credit claimants are able to find work faster and stay in work for longer than those under the system it replaces. Indeed, 86% of people under universal credit are actually looking to increase the hours that they work, compared with only 38% on jobseeker’s allowance.

We have to ensure that help is provided as people seek to find employment. The Government are providing a wide range of support targeted to each individual’s personal circumstances. Under universal credit, people have access to more tools than ever before to underpin their work search and help with budgeting, digital skills, preparing CVs and getting ready for job interviews.

Stephen Twigg: The Minister is obviously ranging somewhat more widely on universal credit. Will he respond to the very specific question that the shadow Minister and I raised about the cliff edge in the rules in universal credit that relate to free school meals? Will he and the Government look again at a very significant negative side of the reform?

Alok Sharma: The hon. Gentleman knows that free school meals are universal for all children from reception to year 2, and currently all children who are the offspring of universal credit claimants are entitled to free school meals. There has been a consultation, which has closed, and the Department for Education will respond.

I am undertaking a programme of visits to jobcentres across the country. It is important for me as the Employment Minister to talk not only to the people who work in those jobcentres, but to those people who are there as customers. Last week, I visited the jobcentre in my local area, Reading, twice, first to talk to the people who run it; and secondly to talk to individual claimants. I sat in on one of the interviews and asked one of these ladies what she made of universal credit. She said:

“Universal credit is amazingly simple.”

Those are not my words, but the words of an individual who went—[Interruption.]

Sir David Crausby (in the Chair): Order. The Minister is not giving way.

Alok Sharma: That is the word of an individual who actually has made use of the system.

Ensuring that people get the benefits they are entitled to is important. Whether in work or not, jobcentre staff help their customers to ensure they access their full entitlement to benefits and any other support, such as free school meals and free prescriptions. They also have tailored support for those people who face the most complex employment barriers. That can include temporarily lifting requirements where claimants are homeless, in treatment for drug or alcohol dependency, or victims of domestic abuse.

The hon. Member for Liverpool, West Derby raised a point about people having delays in getting money paid to them. The statistic on universal credit is that 92% of all claimants get all the money they are due paid on time. Of course, no one wants to wait for money if they need it—advances can be claimed on the same day in an emergency.

Margaret Greenwood: The Minister is being generous with his time. He is talking about support for the most vulnerable, so would his Government reverse the cuts to support for disabled people under universal credit?

Alok Sharma: Hopefully I will have enough time to respond to that point—I believe the hon. Lady is talking about the higher rate of disability premium.

A number of other points were raised about food banks. Jobcentre staff also work in partnership with a variety of local agencies and signpost claimants to local services, including food banks, to help them access the full range of support available. The hon. Member for Liverpool, West Derby quoted from a report from 2016 by Taylor and Loopstra based on UN data. There are a number of reports, including one on income and living conditions produced by Eurostat, which found that the UK has a lower percentage of food insecurity than the EU average and a lower percentage than Germany, France and Italy. Ultimately, we need to ensure that we get help to people who need it, and that we help them into work so that they can support themselves.

Maria Eagle: Will the Minister give way on that point?

Alok Sharma: I have given way quite a lot in this debate. If I may, I will continue. If I have time at the end, I will of course take further interventions.

Food inflation has been discussed. Food prices have fallen in three of the past four years, which has a positive impact. Let me address up front the question about the use of food banks. The Government do not propose to record the number of food banks in the UK, or indeed the potential number of people using them or other types of food aid. There is a range of available food aid—from small local provision to regional and national schemes—and the all-party parliamentary group on hunger, which set up an inquiry to thoroughly investigate the use of food banks, said that there were numerous complex reasons why people use food banks.

Jobcentres engage regularly with the Trussell Trust, and are encouraged to foster good relationships with local food banks. In Merseyside, all jobcentres have a food bank single point of contact, and jobcentre staff have been working actively with food banks to ensure that staff are up to speed with the changes resulting from universal credit.

The hon. Member for St Helens South and Whiston (Ms Rimmer) mentioned international comparisons. I refer her to statistics produced by the OECD showing that, since the mid-2000s, the UK has been one of only two major advanced economies with increasing redistribution. It found that, since 2010, growth and income from work for the lowest-income households in the UK is higher than in any other major advanced economy.

The Government have always been clear that universal credit would be introduced in a way that allows us to continue making improvements. That is why, at the autumn Budget, we announced a comprehensive and wide-ranging package of measures worth £1.5 billion to
address concerns about the first assessment period and the budgeting issues faced by some claimants at the start of their claim. Since the start of this year, claimants have been able to get 100% of their estimated universal credit payment up front as an advance that they can pay back interest-free over 12 months.

I will address a couple of other points, as I have a few minutes. On the point about disability payments, as the hon. Member for Wirral West (Margaret Greenwood) knows, income-related employment and support allowance and the link to disability premiums, including the severe disability premium, are being replaced by universal credit as part of simplifying the benefit process and to address overlaps. Universal credit has two disability elements for adults, mirroring the design of ESA. The higher rate is set substantially higher than the ESA support component equivalent.

Margaret Greenwood: That being the case, why will some disabled people receive £65 a week less than they would have before universal credit?

Alok Sharma: I am happy to have a dialogue with the hon. Lady, particularly in my new role, but I point out, as I have said, that the rate is set substantially higher than the ESA support component equivalent. However, I am happy to enter into a dialogue with her outside this debate.

Maria Eagle: The Minister has spent most of his time replying to this debate talking about universal credit, but the debate is about food poverty. Is he suggesting that, over the next year, as universal credit is rolled out on Merseyside, the number of people having to visit food banks will go down?

Alok Sharma: I cannot predict the future. The reason why I have talked about universal credit is that it is a matter raised by Opposition Members, and because I think that it is important, if we talk about welfare reform, to talk about the current reforms that the Government are putting in place.

In conclusion, the Government’s track record on helping people into work is clear. Unemployment is at a 42-year low at 4.3%, with nearly 1 million fewer workless households than in 2010. Incomes have been rising. Data published last week by the Office for National Statistics showed that in the year 2016-17, real average incomes of the poorest fifth of households had risen by £1,800 since 2007-08.

However one looks at it, poverty rates in the country—relative or absolute, before or after housing—are no higher than in 2010, and within the working-age population, all headline poverty rates are lower than in 2010. Yes, there is absolutely more to do—we certainly cannot be complacent, and I have no wish to do so—but the Government’s reforms have demonstrated real progress in tackling poverty and disadvantage.

3.55 pm

Stephen Twigg: The Minister just said that he does not wish to be complacent, but with all respect to him, I must say that that was a very complacent response to the debate. In particular, he did not address the fundamental question at the heart of the debate, which I posed at the beginning of my speech and other colleagues raised, about the eightfold increase in the number of people using food banks in 2017 compared with 2011.

The Minister said that the all-party group on hunger has said that the causes of increased use of food banks are complex. Of course they are complex, but several of us cited the research, which he did not dispute, suggesting that the major two reasons are low pay and insecure work on one hand, and benefit changes and delays in the benefit system on the other. I hope the Government will reflect on the points raised by Members from across Merseyside. There is anger and passion on the Opposition side of the House: We are reflecting the anger and passion in our own constituencies about the sense of injustice and inequality, and the poverty that people face.

The Minister addressed some of the specific points raised by several Opposition Members. I note in particular what he said about free school meals. I and others will pursue that with the Department for Education, because the threat of that cliff edge will be damaging to communities. Clearly, as a number of my hon. Friends have said during this debate, this is a major issue that is not going to change.

There is a fear that, as universal credit is fully extended across Merseyside, our communities will face greater levels of debt and greater usage of food banks. The bedroom tax, an issue to which I referred briefly but which featured less in this debate than it often does, has undoubtedly contributed to insecurity and debt for many of the communities that we seek to represent.

I am pleased to have had the opportunity to air these important issues. I hope the Minister and the Government will go away and reflect on what we have said, but I return to the fundamental point: the evidence shows us that the eightfold increase in the use of food banks has to do with low pay, job insecurity and poor-quality work, but also benefit delays and changes. The Government need to look again at those issues.

Question put and agreed to.

Resolved.

That this House has considered food poverty in Merseyside.
Mobile Phone Contracts

3.58 pm

Sir David Crausby (in the Chair): We will start the debate, although it may well be interrupted very quickly by a Division.

Patricia Gibson (North Ayrshire and Arran) (SNP): I beg to move,

That this House has considered mobile phone contracts.

A mobile phone has pretty much become a necessity for all of us. Even though we might often wish that we did not have one, we all rely on them to a certain extent. It is just the modern way that we live our lives. I am sure that, like me, the Minister is deeply concerned to hear of the report from Citizens Advice that too many loyal mobile phone customers are being ripped off—I use the term advisedly—by their providers. The research by Citizens Advice showed that people buying a phone through their contract pay an average of £22 a month towards their mobile phone handset. Many people take out a mobile phone contract that includes the cost of a new handset in the overall price of a fixed-term deal, the majority of which are for two years. At the end of that deal, consumers have the option to stay with their network on the same contract, to take out a new contract, or to move to another provider.

However, 36% of mobile handset customers stay on their previous contract after the fixed 24-month period. On average, they stay for an extra seven months. If they are customers with one of the bigger mobile phone providers that dominate the market, however, the chances are that the price they are charged each month will not change. That means that consumers continue to be charged for their handsets, even though they have already paid for them during their two-year contract.

Most providers do not tell the customer how much of their monthly bill goes towards their handset, and how much pays for data and calls.

4.45 pm

On resuming—

[Mr Philip Hollobone in the Chair]

Mr Philip Hollobone (in the Chair): Order. The sitting is resumed, and the debate may continue until 5.15 pm.

Patricia Gibson: Thank you, Mr Hollobone. As I was saying before the Division bell sounded, the fact is that most providers do not tell the customer how much of their monthly bill goes towards the mobile handset and how much is paying for their calls and data. Citizens Advice has discovered that three of the four largest mobile providers continue to charge customers for a handset after the cost of the handset has already been paid during the term of the fixed deal. That means that loyal customers who choose to stay on the same phone plan after their fixed deal ends see no reduction in their bills. They continue to pay, unwittingly, for a handset for which they have already paid.

Who is most likely to be caught up in this so-called loyalty trap? Those aged over 65 are most likely to be stung, with 25% of over 65s with a handset-inclusive mobile phone contract staying in their contract for more than 12 months past the end of their fixed deal period, compared with only 13% of people aged under 65. Worse still, if someone does not switch they cannot tell how much their handset is costing them, and whether they are getting a good deal or not. Indeed, the total cost of a handset as part of a bundled contract can vary considerably, even among plans offered by the same provider. In some cases, the price difference can be as much as £400. Of the 706 bundled contracts analysed by Citizens Advice, 74% were more expensive than buying the same handset up front and using it with a SIM-only contract, which is quite astonishing.

Three, one of the largest mobile phone providers, has been in touch with me. That company recognises that the way the market is currently organised means that mobile bills lack transparency and are difficult for consumers to comprehend, which in turn leads to them paying more than they should—that is, more than they need to—for their mobile phones.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing the debate on an issue that affects my constituency and all others. Does she agree that the thirst for the latest phones means that many people buy themselves out of a contract at a massive financial cost, and that we—or perhaps the Minister—should look at whether the way in which the industry works out the buy-out clause for contracts can be made fairer, and not to the advantage of the mobile companies?

Patricia Gibson: There is, indeed, a range of issues with mobile phone contracts. The real concern is when a consumer is paying for something for which they have already paid, but the hon. Gentleman is absolutely right that mobile contracts need to be seriously looked at.

For consumers, the way to get transparency is to separate out costs so that they can see clearly what they are paying for. In any other industry, that would not be controversial. Some people have pointed out that regulations are an obstacle in the way of separating out those costs because they would require the mobile phone companies to become regulated creditors under the Financial Conduct Authority. Some argue that that would be bureaucratic, burdensome and complex for the mobile phone companies, as they would have to comply with the Consumer Credit Act 1974. However, that need not be the case, since there is a well-established precedent, of which I am sure the Minister is aware; exemptions from full regulation under the Consumer Credit Act are given to appropriate sectors, especially for loans with an annual percentage rate of zero.

The Financial Services and Markets Act 2000 created an exemption from the Consumer Credit Act regulations for providers of 0% APR loans of up to four months. That was raised to 12 months—the current limit in 2015—through a statutory instrument, to allow insurance companies to offer monthly payments for annual plans. Perhaps the Minister will consider raising that limit further to 24 months, to allow mobile phone operators to offer separate mobile handset financing. That would make bills more transparent for consumers, since handset and service contracts would then be separated. Given that it would be prohibitively expensive to ask consumers...
to pay off their handsets in 12 months, raising the current 12-month limit to a 24-month exemption in the Consumer Credit Act would offer a way forward. It has been done successfully in countries such as Germany and Australia, as well as other countries, so there is no reason why it could not be done here.

O2 has told me that it is the only operator to separate the cost of mobile phones from the airtime on consumer bills and that when a consumer has paid off his or her mobile phone, all charges for it are stopped. That leads me to wonder why one such company can manage such transparency in its billing but others do not seem able to. I am sure the Minister is wondering that as well.

We must make it as easy as possible for those companies who engage in this blatant, unfair and unjust overcharging of customers to stop doing so and remove all the so-called obstacles and hiding places. In no other industry would such blatant ripping-off of the customer be tolerated; it should not be tolerated in the mobile phone industry either. Indeed, it undermines consumer confidence and trust in the entire industry, which is unfair to those players in the industry who play fair by the consumer.

Too many consumers in too many sectors endure a “loyalty penalty” and mobile phone charges are symptomatic of a wider problem. Indeed, in the wider telecoms market, people experience a persistent and ingrained level of detriment. We should be grateful for the sterling work of Citizens Advice, who I pay tribute to today, as its research has uncovered the fact that people experience 27 million problems with their mobile, broadband or TV services per year and those problems cost people £4.2 billion a year in wasted time and money. It is simply not good enough.

As the Minister will be aware, we currently have very powerful voices in the telecoms industry, with no independent voice speaking up for consumers. The telecoms industry has vast resources to expend on lobbying the regulator. It is time for the consumer’s voice to be heard.

The Minister will also be very aware that in their 2017 manifesto, the UK Government made a commitment to make telecoms billing fairer and easier to understand for consumers, including clarifying when the cost of a mobile handset has been paid off by the customer. That is not difficult to do. It can be done by statutory instrument, as I have said.

In a letter of 17 November to me on this issue, the former Minister of State for Digital told me that he hopes “that providers will now take the initiative by clearly separating the cost of handset and tariff in mobile contracts”. In Ofcom’s response to me of 8 November, it said that it wanted to help people to “shop around and secure the right deals”.

But unless costs are separated out and mobile operators are forced down that path, consumers cannot and will not be able to shop the best value for money. We cannot rely on the goodwill of the mobile phone operators, because that has not worked. Action is needed and I have offered a way forward, which I urge the Minister to adopt.

The responses from the former Minister for Digital and Ofcom, although well-meaning, do not go far enough. In fact, the responses give me cause for concern—I am a bit alarmed—because they both, in their different ways, suggest that the mobile phone companies can decide if and when they take action on this matter. I would argue that the Government and the regulator must act urgently to protect consumers from being ripped off. When someone unwittingly pays for the same product twice, make no mistake: that person is being ripped off.

With inflation running high, as it has done for a number of years, and with a continuing squeeze on living standards, it is only right and proper that consumers are treated fairly and are able to see more easily what they are paying for, so that they can properly compare prices. I urge the Minister to set out a clear timetable to implement what she and her Government have publicly said they believe. That can be done very soon, very cleanly and very quickly, by statutory instrument. It is needed so that there can be no excuse or hiding place for mobile companies that continue to charge mobile phone customers for something that they have already paid for. It is time to redress the imbalance between the powerful voice of industry and the weak and too-often ignored voice of the consumer. It really is time to act.

4.54 pm

The Minister of State, Department for Digital, Culture, Media and Sport (Margot James): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing the debate to highlight this important issue and on her passionate speech, which I listened to with great interest.

I am delighted to have responsibility for championing the interests of digital consumers as part of my new role at the Department for Digital, Culture, Media and Sport as the Minister for digital and creative industries. In my previous role, I had responsibility for small business and consumers, which included retail energy markets and competition law, so I have some experience of the type of issues consumers in this market face, as well as some of the potential solutions.

The hon. Lady mentioned the Citizens Advice research in her speech, and I pay tribute to Citizens Advice, with whom I worked a great deal in my former job. It does a marvellous job and has been pursuing this issue with the Government, Ofcom and the mobile phone operators over the last 12 months. I have reviewed its research with interest.

Ofcom estimates that about 1 million people continue to pay the full monthly charge after the end of their contract rather than switching to a cheaper deal and that those people could collectively be overpaying by £130 million per year. That is far too great a scale of consumer detriment for us to live with. It represents too many people paying more than they need to, by continuing to pay for the cost of a mobile handset when they should no longer be doing so—essentially after they have paid for it. Many of those people are more vulnerable consumers, including older people—the hon. Lady referred to the difference between the percentage of older people who were continuing to pay for their handset after it had been paid off—and those in lower income segments. Some people may just be very busy. The Government recognise that action is needed.

Ofcom estimates that the issue affects a minority of customers with a mobile phone contract, approximately 6%. In percentage terms, it is a small minority, but it
amounts to about 1 million people, which is no small number. On the plus side, we have a highly competitive market in telecoms, which is good for consumers, and we should recognise that fact, as well as working tirelessly to address those areas that work less well.

Carol Monaghan (Glasgow North West) (SNP): There is a highly competitive market, but for many of the vulnerable consumers we are talking about—many of whom are elderly or possibly without access to the internet—the landscape is extremely confusing. The onus should be on the phone companies to help those customers get the best deal.

Margot James: Although I have not come to a settled view on the matter yet, I agree with the hon. Lady that what has gone on so far—there has been an over-reliance on the mobile phone providers putting their houses in order—has not worked to my satisfaction, given that 1 million people are still overpaying.

I am aware that some stakeholders would like to see the end of bundled mobile phone contracts, and want all contracts to be split, with the cost of the handset split out from the cost of services. The pricing of split contracts can be more transparent for consumers than bundled contracts, although split contracts are not without consumer issues. At the moment, providers can make a commercial decision to offer split or bundled contracts, or a choice. A number of mobile phone providers now offer only split contracts and others, such as Tesco Mobile, continue to offer both split and bundled contracts. Other groups, such as EE, Vodafone and Three, offer only bundled contracts. As I said earlier, it is a highly competitive market, in which consumers have a wide degree of choice, including in relation to whether to opt for a bundled or a split contract. However, I accept that when people who are not knowledgeable about the complexities of the market are dealing with a household name that offers only a bundled contract, that is not a great deal of help.

Consumers may choose bundled contracts because they continue to offer good value for money for many consumers. Ofcom research from last March found that such contracts are particularly good value for mobile users with medium to high usage, but such deals can obscure overcharging, as the hon. Lady so ably highlighted. We are therefore prepared to intervene if we deem that to be the only way to resolve this issue. I am committed to preventing people from paying too much by remaining on the same bundled contract after the end of the contract period. No one should continue to pay for a product that they have already paid off. Ofcom, our independent regulator, is continuing to monitor this issue closely. I expect to see movement to address this issue from the mobile operators.

I remind hon. Members that this year the Government will publish a consumer Green Paper, which will explore further ways we can help to protect, support and empower consumers, including those in the mobile communications market. I very much agree with the hon. Lady’s remark before we suspended for all the votes that mobile telephony has become a crucial utility that most people simply cannot do without.

I reiterate my thanks to the hon. Lady for securing this debate, and I thank all hon. Members who contributed.

Mr Philip Hollobone (in the Chair): Order. I am afraid it is not in the Minister’s gift to offer the sponsor of the debate a second go during a half-hour debate.

Margot James: I apologise for that, Mr Hollobone.

Mr Philip Hollobone (in the Chair): Apology accepted.

Question put and agreed to.
Mr Philip Hollobone (in the Chair): The good news for our next speaker is that she has an extra 10 minutes for her debate, because we can move straight on.

Helen Hayes (Dulwich and West Norwood) (Lab): I beg to move.

That this House has considered King’s College Hospital finances.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I am pleased to have secured this debate on the finances at the King’s College Hospital NHS Foundation Trust, which I have been seeking for some months. It has been clear to me that the trust has been heading towards a crisis, which came to a head shortly before Christmas, when NHS Improvement took the trust into financial special measures. The debate is therefore timely.

To date, the Government have responded to the crisis at King’s as if the problem has arisen suddenly in the short term. I want to use this debate today to set out clearly the causes of the problems at King’s, which can be traced back to 2010 and 2013. I also want to ask the Minister to take seriously the complexity of the current situation at King’s and to take action now to allow it to stabilise and rebuild. There is ample evidence of a crisis across the whole of our NHS this winter, and I want to emphasise that the situation at King’s is a warning sign for the NHS that the Government must heed.

My relationship with King’s goes back 20 years. I have been a surgical patient and an out-patient at the hospital. I gave birth to my children there. Both were delivered by the same amazing midwife, whose name we chose as a middle name for our second daughter. My mum worked at King’s for 10 years until she retired. The situation at King’s is as personal and as important to me and my family as it is to tens of thousands of my constituents.

King’s is an extraordinary hospital. As a major teaching and research hospital, it undertakes world-leading work across more specialisms than any other hospital, including liver transplants, maxillofacial surgery, foetal medicine, neurosurgery, neonatal intensive care, cardiology and sexual health. As a major trauma centre, the emergency department saves the lives of critically ill and injured patients every single day. The work of its trauma surgeons is pioneering. Together with the specialist nurses, anaesthetists and other clinical staff, they were at the forefront of treating critically injured victims of the Westminster and London Bridge terror attacks and the Grenfell Tower fire.

In south London, we are enormously proud of King’s specialisms and its major trauma centre, but it is also our district and general hospital, where people have antenatal scans, give birth, have their appendix removed, have hips and knees replaced, have broken limbs fixed, have cataracts removed, recover from strokes, and receive help to manage diabetes, sickle cell disease and many other health conditions. King’s has a very special place in our community. I pay tribute to the extraordinary skill, commitment, dedication and care of the 15,000 staff at King’s. I have spoken to many staff in recent weeks. All of them, including the consultant with 32 years of experience I met yesterday, say that things have never been tougher. I want to put on the record my gratitude for everything they continue to do.

My constituents are desperately concerned about the plight the hospital currently faces. King’s has been on a journey over the past 20 years. Back in 1998, when I was an in-patient, it was a struggling, failing hospital, where patients were treated in overcrowded conditions and waited on trolleys in accident and emergency. Years of Labour investment transformed it, so that by 2010 it was meeting all of its main clinical targets, had recruited many more staff, and was consistently achieving a small financial surplus each year.

I am concerned that, despite the incredibly hard work of the brilliant staff at King’s College Hospital, that journey has come full circle—the days that we thought had been left behind at King’s have now returned. The hospital is regularly more than 100% full, with meeting rooms and storage space being used for beds; it has been consistently failing to meet the four-hour waiting time target in A&E, or the 18-week referral-to-treatment target; and it is not meeting its key cancer targets.

I want to be absolutely clear with the Minister that the causes of the problems at King’s have roots that go back to events in 2010 and 2013, which could have been predicted by the Government and Monitor, and which absolutely should have been prevented. I draw the Minister’s attention to four key issues. First, the rate of funding increase for the NHS was significantly cut from 2010, from 3% to 4% under the previous Labour Governments to 1% under the Tory-Lib Dem coalition Government. There was therefore no way that the funding was ever going to keep pace with inflation, let alone increases in drug and treatment costs and increasing demand. The fact that we are all living longer is a positive thing, but since older people use health services far more than younger groups in the population, it creates an entirely foreseeable increase in the need for health services. That can be managed and minimised when good-quality social care is available to everyone who needs it, but over the same period £6 billion has been taken out of social care. At the Princess Royal University Hospital, which is part of the King’s trust, 20% of older patients are clinically fit for discharge but have nowhere to go—a direct example of the extra burdens that the Government’s inadequate approach to social care is having on the NHS. The false economy cuts are simply adding to the pressures in our NHS, as people who should be able to maintain their health at home with good support end up requiring acute care.

The second key issue affecting King’s is a result of the 2013 decision for it to take on two hospitals—the Princess Royal University Hospital and Orpington Hospital—from the failing South London Healthcare Trust. Following that decision, the Government and Monitor should have insisted on a review period to ensure that the new expanded trust had the right level of support and resources to run the hospitals, but they did not do so. From that moment on, the finances of the new trust deteriorated rapidly. The situation at the Princess Royal was far more complex than anticipated, but there was no review of funding in the light of new and more detailed information about the level of investment required. That 2013 decision fundamentally destabilised the finances of the trust.

The third issue is the challenging of the competing responsibilities of emergency care, including the trauma centre and elective surgery. The King’s trauma centre generates its own demand, which increases year on year,
but the funding for emergency medicine is by way of a block grant. There is no increase in funding that is in any way responsive to that demand. It cannot be right that, when King’s staff step up to the plate in response to terror attacks or the Grenfell Tower fire, there is no additional funding to cover the costs of the additional work. Elective surgery is paid for by procedure, so when the demands of emergency admissions, whether because of an increase in flu cases, or a major incident, force elective operations to be cancelled, there is loss of income in addition to an increase in costs. That creates knock-on financial consequences for the trust as a whole.

Fourthly, the limited capital funding since 2010 has meant that staff at King’s have not been able to plan strategically for the facilities the hospital needs to cope with increasing demand. The King’s College Hospital site at Denmark Hill is very constrained for a major hospital, and it has been developed piecemeal over many years. Large parts of the hospital estate are no longer fit for purpose, and additional ward space is urgently needed. King’s will open a new state-of-the-art critical care unit later this year, the largest in the country, but the trust has not been able to expand its general ward capacity, which will potentially result in additional pressures as patients leaving critical care compete with emergency admissions and elective surgery patients for insufficient beds.

The four challenges I have described have been evident for some time, but the Government’s approach, rather than to undertake a review of the finances and agree a sustainable funding settlement, has been to set more and more unrealistic targets for financial savings; to refuse King’s the sustainability and transformation funding that other hospitals have been awarded; and to fine King’s for being in a challenging financial situation.

Since 2015, at the behest of Monitor and later NHS Improvement, vast sums of money that could have been spent on patient care have been spent on management consultants. At one stage the trust was paying a single firm of management consultants more than £1 million pounds a month. The trust has been asked to make punishing savings when it has no control over the demand for its services or some of its costs, but the management consultants have not been judged on their ability to deliver sustainable, lasting improvements—they’s has been a one-way street of throwing good money after bad.

It is absolutely the case that the Government have known about the financial situation at King’s for some considerable time, yet on top of an already unmanageable financial situation, the Government proposed completely unrealistic control totals, in essence setting the hospital an unachievable target for making savings, then punishing it with financial penalties for failing to do so. Since last year, King’s has been under enhanced regulatory oversight by NHS Improvement, technically a similar situation to being in financial special measures, with NHSI staff permanently in the hospital and a high level of scrutiny. Over the past three years King’s has made savings of more than £200 million, more than twice the average level of savings of trusts across the country over that same period. King’s has done that while maintaining standards of care that are on the whole very good. The Government have known about the financial situation at King’s for three years, the Government have been directly involved with the situation at King’s, and the Government are culpable, yet instead of taking responsibility for the situation and acting to ensure that King’s has the resources it needs, the Government have required King’s to do the impossible and punished the trust when it has been unable to deliver.

The Government must now take responsibility for the situation and ensure that the King’s College Hospital NHS Foundation Trust is not allowed to fail any further. I therefore ask the Minister to do the following: to undertake a full review of the finances at King’s, starting with an analysis of what is required to deliver safe and effective care across all areas of treatment and responsibility; to make a commitment that financial special measures will not mean just forcing through the proposed control totals, which simply cannot be met without jeopardising patient care; to guarantee that there will be no threat to any of the services provided at King’s on which my constituents and residents in the wider south London and the south-east area rely; to agree a capital funding settlement to enable King’s master plan for Denmark Hill to be implemented, so as to deliver the space and facilities the hospital needs now and for the future; to guarantee that financial special measures will not mean an increase in the interest rate that King’s is charged on its deficit; and to revise the funding formula so that King’s is not hit financially when it steps up to respond to major incidents and London-wide emergencies.

I will end with this: King’s is a special trust and some attributes of it are unique, but the pressures and challenges it faces can be found in NHS hospitals up and down the country. Until the Government recognise that and choose to make a long-term commitment to fund the NHS to provide the services our ageing population needs and to stop the outflow of NHS funds into private profits, our NHS is not safe in their hands.

Several hon. Members rose—

Mr Philip Hollobone (in the Chair): Order. The debate may last until 6.15 pm. The hon. Lady has three minutes at the end of the debate to sum up the contributions. We have oodles of time, so we do not need to worry.

5.18 pm

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone. I draw your attention and that of Members to my declaration in the Register of Members’ Financial Interests. It is probably worth pointing out, too, that I had the pleasure of being a medical student at King’s many years ago.

I pay tribute to the hon. Member for Dulwich and West Norwood (Helen Hayes) and the right hon. Member for North Norfolk (Norman Lamb). Through the Act, we considered and learned lessons from some of the problems in the reconfiguration of the South London Healthcare NHS Trust that failed in 2013. I am sure
that the hon. Lady is absolutely right that we could learn lessons about how not to do hospital reconfiguration from how that reconfiguration was done.

I again reference the Register of Members’ Financial Interests. At the time, there was a natural synergy, in medical school terms and in other terms, developing between King’s, Guy’s and St Thomas’, and the King’s Health Partners. There is a shared local health economy between those hospitals and a shared interest in patient care. Each of those hospitals are centres of international excellence and tertiary centres of care, and are important local general hospitals for their communities. That synergy would have been a much more natural alignment of healthcare interests in that area but, unfortunately, that did not happen. Lessons have been learned from what occurred.

One of the major issues was the inheritance by King’s of the huge private finance initiative debt of the Princess Royal University Hospital, which in 2017-18 I believe amounts to about £37 million a year—about half the King’s deficit. It would be wrong to blame those running King’s for that deficit. It was very unfortunate for Lord Kerslake—I will come to him later—as chair of that trust, to inherit a de facto deficit due to that huge PFI cost.

The hon. Lady was right to talk about the rate of funding increases for the NHS being at a record low for many years. We had a very difficult economic situation in 2010, but I do not think that anybody expected austerity to last for the best part of a decade. Certainly, many of our public services are now feeling the squeeze as a result of the funding pressures that they face.

The funding pressure on the social care system has an impact on the NHS. Local government finances are in a challenging situation in many areas. Pressures on the social care system reduce the ability of the NHS to work in an integrated, joined-up way with social care and reduce the ability of hospitals such as King’s to discharge patients effectively into the community, because the resources are not there to look after them. There are also additional pressures on admissions, because there is not the preventive care in the community that a well-funded, properly integrated health and social care system would be able to provide.

There is welcome talk from the Secretary of State of a Green Paper on better integrating health and social care—I am sure the Minister will be involved, too, and I welcome him to his place and to his role. Having a sustainably funded, fully integrated system must be part of that and must be part of dealing with the challenges faced by King’s, by the local health economy and nationally.

I had not intended to speak for very long, but as I said, the example of King’s College Hospital crystallises and pulls together the overwhelming challenges faced by NHS trusts. The overwhelming majority of NHS trusts and foundation trusts are in debt. That was not the case five years ago. As in the case of King’s, many of those trusts have worked very hard to bring those annual deficits under control and to manage the additional challenges of increasing patient demand and pressure from more and more patients with multiple medical comorbidities. In 2018, there are around 3 million patients with three or more long-term conditions in England. It is a very big human challenge to look after those patients, but it is also a very big financial challenge.

The percentage of GDP in this country spent on health and social care falls well below that which is spent in many comparable western economies on healthcare. I know that the Government will look at that as part of their plans for the sustainability of the health and social care system in the Green Paper. I do not expect the Minister to talk about that in detail today, but it is well overdue and I know he will pay keen attention to that.

I had the pleasure of working with Lord Kerslake when I was in Government. He and the board did a lot to reduce what the hospital paid out in temporary staffing costs; some good work was done to reduce unnecessary expenditure on agency and other costs. It is a great shame when a very distinguished and long-standing public servant feels that, despite all their experience and their best efforts to grapple with some of the challenges of King’s finances, they need to stand down from their role because there is no other option. I am sure that Members from all parts of the House will echo that sentiment.

Some good efforts were made in 2015-16 to begin to tackle some of the hospital’s deficit and debt, but in this financial year the finances have worsened and as a result, as the hon. Lady outlined, the hospital has been put on special measures. It seems extraordinary that the hospital and the board have been put in that position when, as I mentioned earlier, one of the reasons for the hospital’s deficit is the PFI, which effectively they had no choice but to accept when they merged with the PRUH. As I mentioned, in 2017-18 that amounts to an estimated £36.9 million, which is a substantial amount of money. Without that PFI debt, the hospital would not be in robust finances but it would be in a better state to meet some of the challenges.

The problem faced by King’s and other hospitals is that when their finances become pressurised, they have to meet annual targets and the financial situation becomes paramount, patient care begins to suffer. That is not because the staff want it to suffer—staff always do their best to look after patients—but because they are not necessarily given the resources to deal with day-to-day care. There are winter pressures, but for many hospitals in debt such as King’s, there are year-round pressures.

We do not want to see more distinguished public servants who bring a vast wealth of experience to hospital boards, such as Lord Kerslake, being put in a position where they feel that their only option is to resign. We need a better way of supporting hospitals that are in financial difficulty. In this case, part of that has to be to help King’s with some of those PFI debts. PFIs lock hospitals in for a long period of time to sometimes eye-watering and escalating repayment regimes. Sometimes the maintenance costs for the buildings are driven up even further when problems arise.

I hope that the debate provides the opportunity to look at King’s and other hospitals that have large PFI debts that are causing ongoing financial problems. I hope that that issue is looked at to help this hospital and other hospitals around the country that are in a similar position. I hope that the Minister, who I know will take to his post with great vigour, will want to make sure that some of the longer-term challenges that the NHS faces are looked at in the Green Paper for a sustainable, integrated health and care system that is properly funded. I hope that he will take that message away from the debate.
Ms Harriet Harman (Camberwell and Peckham) (Lab): It is a pleasure to follow the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who made a thoughtful contribution to which I look forward to hearing the Minister’s response.

I thank the hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) for introducing this debate. She has proved herself a real champion for her constituents. She fully recognises and champions King’s College Hospital, which many of her constituents need to use and where many others work. She is my constituency neighbour, and my constituents find themselves in the same situation. King’s is enormously important. It is an organisation of international excellence but also of local necessity. It sits at the heart of GP, primary care and social care services, and of mental health care services, both at the Maudsley Hospital and in the community. It is a pivotal part of the local community.

I will confine my remarks to two key points. The first is about the tenor of the debate. I hope Members do not treat King’s like a recalcitrant teenager who has overspent their allowance, or argue that its managers, chair or board are somehow profiting or salting away public money into offshore tax havens. King’s is doing its very best, in good faith, and all its people want to provide the very best service they can. That must always be at the heart of our debates. A tone of blaming King’s sometimes creeps in, but we should be grateful to it and thank it.

On the deficit, it may be inconvenient for the Government to see figures with “King’s” written next to them going in a particular direction, but they should understand what is going on there, not tell King’s off as if it is at fault. It is doing one thing, and one thing only: trying to provide the very best care to people who use its national specialties, to regional referrals and to local people who need it. Let us always start on the footing that it is doing its best and that we are grateful to it for that.

My second point is that we need always to concentrate—I do not mean this in a cheesy way—on actual people. I baulked when I heard the Prime Minister talk about cancelled operations being “part of the plan”. Please, let there never be a plan with cancelled operations as part of it. Let us think of the situation for people. For anyone who has an operation booked, there are all sorts of things around that operation. Quite apart from the fact that it screws up their confidence and courage, they have to get time off work and, if they have a young family, their mother-in-law might have to book time off work, too, so that she can come and stay when they go in to have their operation.

An operation looks like one little entry in the Department of Health computer, but for the individual concerned, quite apart from the psychological effect of gearing themselves up for an operation and then finding it cancelled, everything is organised around it. We must not mess people’s lives around by assuming that cancelling an operation, of all things, is normal and can be used as a management tool. I hope that the Minister says that that is not at all what the Prime Minister meant, and that we will not manage our hospitals by booking operations and then cancelling them.

We must remember the human impact of longer waiting lists and cancelled operations. Someone’s hip replacement operation being postponed might be the thing that ultimately causes their job to be given to someone else. They might take sick leave and then take more, and their manager might finally say, “We’ve tried our best, but we just can’t carry on like this. We’re going to have to get somebody else in.” People lose their jobs while they are waiting for hospital treatment. Prompt treatment allows people to get on with their lives. An elderly person who is waiting for a cataract operation, for example, will not go out much, because they cannot see. They will not have the confidence to go out and meet their friends. If the operation is heavily delayed, by the time they have it they may have lost their social circle, lost what they do and become de facto housebound. For every single person who has to wait or whose operation is cancelled, there is a human cost. It is important to focus on that.

There is also the question of accident and emergency. I have watched the TV programmes and have visited King’s A&E on numerous occasions. The odd person is there just because they want to spend four hours sitting somewhere, but most people are there because they have had an accident or they have an emergency. They might have tried to find somewhere else to be seen, but they are there, and they are worried. They are often in pain, and they often have worried relatives with them. We must not drift back to the situation we had before 1997 under a Tory Government. I remember that well. People routinely spent all night on trolleys in King’s accident and emergency. I know what that situation was like, and we must not drift back to it. That would be really unfair on people. In this day and age, when much of the hospital has been rebuilt, we should not go back to that situation.

I hope the Government recognise people’s concerns. I hope that they are generous not just with their money but with their commitment to King’s; that they help it to go forward; and that they do not talk euphemistically about savings. Everyone knows what cuts are—cuts are when more people are coming through the door and there is less money per person. I thank Bob Kerslake for his work as chair, and I am disappointed that, because of the circumstances, he felt he could not stay on. I will meet the new interim chair shortly, but I hope that everyone at King’s—the staff, the management and the chair—feels that the Government are on their side and want to help them sort out the situation rather than blame them, make an example of them and talk about King’s as if it is anything other than the wonderful hospital we believe it is.

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone.

I pay tribute to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) for securing the debate. During her time in this place, she has developed a reputation as a real champion for her constituents on a range of issues. This is not the first time that she has raised concerns about the funding crisis affecting our NHS and her constituents. Back in June 2015, she used her first contribution following her maiden speech to raise concerns about the worrying financial situation at King’s College Hospital. That makes it even more important that we attempt to pin blame for the current situation on the most recent chair, who started only that month. My hon. Friend showed great foresight and prescience when she warned:
My hon. Friend described her constituents’ experience as a warning sign with respect to the wider issues across the NHS about which we have heard so much in recent weeks. She highlighted that King’s College Hospital provides a wide range of specialties as well as being a trauma centre and a district general hospital for her constituents. She reported that a clinician with 32 years’ experience had said that things have never been tougher. We have heard many NHS professionals make that comment in the past couple of weeks. It was disturbing to hear that the hospital has recently been at more than 100% capacity on a regular basis. Before we entered the winter crisis this month, we knew that the trust was running flat out. We hear stories across a number of trusts was beyond recommended levels. Using meeting rooms for patient care, as we heard, is not a road we should be going down.

My hon. Friend said that four key issues were affecting the current situation at King’s College. The first was the funding allocation since 2010. As we know, an ageing population increases demands on expenses in terms of medication, which means that the NHS really needs a 4% settlement on a regular basis. Before we entered the winter crisis this month, we knew that the trust was running flat out. We hear stories across a number of trusts was beyond recommended levels. Using meeting rooms for patient care, as we heard, is not a road we should be going down.

My hon. Friend’s second point, on which I will expand later, was that the trust took on two failing hospitals in 2013. Thirdly, there are competing responsibilities in the trust between emergency treatment funding and elective surgery. She gave the examples of tragedies such as Grenfell and the Westminster terrorist attacks in the past 12 months, which placed additional pressures on the trust but were not recognised by central Government in terms of funding or support. Fourthly—this point applies to the wider NHS—the capital funding allocations have not been there to allow the trust to plan strategically for the future.

We also heard from the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who has considerable experience—he has several hats to put on. He did not blame the individuals running King’s for the current situation. He also highlighted well the multiple issues that arise from an underfunded social care system, and was right that patient care can suffer when trusts are under financial pressure. That is not to say that anyone who works in the NHS is using that as an excuse—that is not where anyone wants to be.

The hon. Gentleman mentioned PFI debt. In a debate on another trust issue, the Minister’s predecessor but two said that the Department was looking at PFI debts in various individual trusts and whether anything could be done to ease the burden on them. I do not know whether that work has been completed. Can the Minister update us on whether the many trusts saddled with PFI debt will get any relief?

We also heard from my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), who made two central points. First, she did not want the situation to turn into a characterisation of a recalcitrant teenager who is overspending. I know a great deal about that from my own family—not because I am a teenager. She also does not want the situation to turn into a blame game. I will return to that later in my remarks.

My right hon. and learned Friend’s second point, which was pertinent, was that we must think about the people who are affected by the situation a little more. She said that when the Prime Minister described the cancelling of operations throughout January as planned, that underplayed the human consequences of such a decision and showed a lack of empathy and compassion for their implications. Cancelled operations can have a psychological impact and, as we heard, they can have financial impacts. People could lose their jobs as a result of delayed operations. She also gave the example of older people losing their social circle while they are awaiting cataract operations.

My right hon. and learned Friend was right to say that we do not want to drift back to a situation where patients spending all night on trolleys in corridors is part of people’s routine NHS experience. We do not want to see any more of that.

My hon. Friend the Member for Dulwich and West Norwood gave some interesting statistics about the amount of money spent on management consultants advising the trust and said that, at some points, £1 million a month was being spent on such advice. I would be interested to hear if the Minister feels that that has delivered value for money for the trust. Has any analysis been done about the savings derived from that advice? That gives us food for thought about whether the money has been best spent—perhaps it could have been better directed to the frontline.

My hon. Friend also said that the trust has recently been subject to enhanced regulatory oversight. Does the Minister believe that that regime has delivered particular benefits? She rightly requested assurances from the Minister in terms of funding, patient safety, treatments and capital allocations. We will hopefully hear from the Minister on that.

I join my hon. Friend in paying tribute to all the staff working across the trust who, as the public face of our service through the series “24 Hours in A&E”, make the nation proud of what the NHS can deliver. They are outstanding and committed individuals who go above and beyond the call of duty each day to deliver the best possible care for their patients. Indeed, their dedication is replicated by staff all over the country, and their good will is all that stands between a crisis and a complete collapse.

As we know, an urgent question was asked before the Christmas break, and I would like to pick up on a couple of comments made by the then Minister, the hon. Member for Ludlow (Mr Dunne). In his initial response, he said:

“There has been a consistent pattern of financial projections by the trust that have not been met during Lord Kerslake’s tenure as chairman.”—[Official Report, 12 December 2017; Vol. 633, c. 177.]

He also said:

“I am happy to look at the circumstances surrounding what happened in 2013, but they are not as relevant to today’s situation as the way the trust’s financial management has deteriorated in recent months.”—[Official Report, 12 December 2017; Vol. 633, c. 181.]
I put on record my appreciation for the constructive and respectful way the former Minister conducted our business. Although we disagreed on many things, we did not do so in a disagreeable manner. However, I must pick up on those comments, because it is a matter of fact that the trust’s financial issues predated Lord Kerslake’s involvement.

The root of the problems facing the trust can be traced back to the collapse of South London Healthcare NHS Trust back in 2013, as my hon. Friend said. I welcome the new Minister to his place, and I hope our exchanges will be equally as courteous. However, I hope that in responding he will correct the record, because there is the disturbing trend that has been referred to of blame being personalised, which encourages a “hire and fire” culture in the health service. At the bottom of it is financial and quality issues at the Princess Royal University Hospital, which were significantly worse than identified during the due diligence process undertaken at the time of transfer, and which led to a much poorer deficit position than forecast in 2014-15. Of course, that was a year before Lord Kerslake took up the role of chair. As a former Minister set out in a Westminster Hall debate in March 2015:

“At the time, South London Healthcare NHS Trust was the most financially challenged in the country... Repeated local attempts to resolve the financial crisis at the trust had failed.”—[Official Report, 25 March 2015; Vol. 594, c. 549WH.]

The trust’s 2015-16 annual report set out that £56.5 million in efficiencies were delivered during the financial year—a considerable amount—but despite that work a £65.4 million deficit remained. The report states clearly that the final figure was arrived at after taking actions, many of which were one-off in nature.

In 2016-17, the trust delivered savings of £92 million and was forecast to deliver a deficit position of £1.6 million. However, that was dependent on £30 million of funding through the sustainability and transformation fund and an additional £9 million of cover for external funding pressures being provided. Unfortunately, that Government funding did not materialise. The final out-turn was a deficit of about £48 million. The trust’s financial report for that year said again that many of the savings made during that year were of a one-off nature.

I point out at this juncture, as others have done, that despite starting each financial year with an extremely significant underlying deficit, the trust was still expected to deliver annual savings though the tariff, as with all hospitals, at a level that Chris Hopson, the chief executive of NHS Providers, has described as “impossible.” He also said that the amount of savings required “risks the quality of patient care and places an intolerable burden on staff.”

The Nuffield Trust has pointed out that the savings that have been asked of trusts are “the equivalent of spending...£750 in real terms on a patient that you would have spent £1000 on in 2010”.

Against that backdrop, is it any wonder that we are where we are now?

It is true to say that the forecast position at King’s has again deteriorated this year, but it is completely false to portray that as a story about one trust or a particular chairman. It should also be pointed out that King’s had cut costs by 8% to 2016-17 and was aiming for a 5.8% reduction in the current financial year. As we have heard, there are issues relating specifically to King’s, dating back to 2013, that have never been fully addressed, not least because the underlying deficit has been consistently understated. The trust, like so many others, is facing pressures from the top to massage the figures with one-off savings and accountancy wheezes. I believe that that short-term, illusory approach is endemic across the NHS. As the head of the National Audit Office, Sir Amyas Morse, told us:

“The NHS in England remains under significant financial pressure which is demonstrated in its accounts. It has again used a range of short term measures to manage its budgetary position but this is not a sustainable answer to the financial problems which it faces.”

He went on to say:

“The Department and its partners need to create and implement a robust, credible and comprehensive plan to move the NHS to a more sustainable financial footing.”

The Health Committee, the Nuffield Trust, the Health Foundation, the King’s Fund and many others have all reported on the one-off measures, including vast transfers of capital funding, that are being used to understate the true level of deficit. Will the Minister rule out using such measures again this year and commit to providing an honest picture of the state of NHS finances?

As the hon. Member for Central Suffolk and North Ipswich said, the trust deficits we are hearing about in this debate are replicated across many parts of the country. By September 2017, 83% of acute trusts were in debt, to the tune of £1.5 billion. Can the Minister tell us how many will be in deficit at the end of this year? How many will, like King’s, fail to meet the deficit level agreed with NHS Improvement, and what will the consequences be for them?

Before the November Budget, NHS leaders exercised their duty of candour to argue publicly for an extra £4 billion in revenue each year for the NHS. That was the minimum they said would be needed to maintain standards. It has been made clear that many of the NHS’s constitutional targets will not be met within the current funding envelope. Can the Minister explain whether, by failing to give the NHS the money it has asked for, the Government have accepted that the rights of patients set out in the NHS constitution have effectively been abandoned?

In conclusion, with King’s as with the rest of the NHS, the Government seek to abdicate responsibility and to blame the systematic failings over which they are presiding on individual parts of the NHS rather than on their own funding decisions. They are desperately seeking to characterise King’s as an outlier rather than what the Nuffield Trust has termed “the canary down the coal mine”.

The truth is that, like every trust, it is struggling with the longest and most sustained financial squeeze we have ever seen in the history of the NHS, yet the Government are not facing up to their own culpability for the situation. The Secretary of State is behaving like the worst kind of football chairman—the kind who takes no responsibility for their own actions but instead calls for the manager’s head after a spell of poor results, when the underlying problems were there long before that manager started, because there had not been the required investment for many years. That kind of short-term, personalised approach has failed King’s, it is failing our NHS and it has to change.
Mr Philip Hollobone (in the Chair): Order. If the Minister could finish his remarks no later than 12 minutes past six, it would give Helen Hayes three minutes to sum up the debate.

5.33 pm

The Minister of State, Department of Health and Social Care (Stephen Barclay): It is a pleasure to serve under your chairmanship once again, Mr Hollobone, albeit in a different role. I begin by paying tribute to the hon. Member for Dulwich and West Norwood (Helen Hayes) for securing the debate and for the powerful case she set out on behalf of her constituents. I recognise the importance of King’s not just to her family but to the community she serves, to other hon. Members present, and more widely.

In her remarks, the hon. Lady drew out three specific points, suggesting that the Government have responded to this situation as if it had arisen suddenly, that it is reflective of other hospitals and that the roots go back to the Princess Royal decision in 2013. I will seek to address each of those in the course of my remarks, but at the heart of this matter is the concern that the board and King’s have lost or eroded the confidence of the regulator by the manner in which the deficit target has significantly deteriorated, and the concern that the cost improvements are an outlier when pitched against comparable trusts. That is really the crux of the issue.

My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) brought the value of experience both as a clinician and as a former Health Minister. I was very taken by his remarks. Specifically, on the point he raised about the PFI debt, it is helpful to remind colleagues that support was agreed by the Department at the time, in 2013-14, for the additional costs of that project. That is really the crux of the issue.

Dr Poulter: My hon. Friend makes a fair point, although it is difficult for a board that has effectively had a merger foisted on it to appreciate fully how a hospital will run across two sites—or even three sites, with Orpington as well. I am sure the Minister will go away and think about that in the context of the PFI and whether something more could be done to help with the PFI debt.

Stephen Barclay: Indeed, I am happy to give consideration to the point my hon. Friend makes, although if one looks at the deficit for this year, which I will come on to in my remarks, one will see that the bulk of the deficit is not from the Princess Royal but from the other sites, so it does not pertain to the 2013 decision. I will come on to that more fully as I develop the case.

I will also say to the right hon. and learned Member for Camberwell and Peckham (Ms Harman), who recognised that the staff at King’s want to deliver, that I agree with her on that point. It is not about apportioning blame to those members of staff. Indeed, the financial special measures are about giving additional assistance to King’s to address those points, rather than seeking to blame them. I think there is a shared desire from both sides of the House to get the right outcome for King’s. I am very happy to agree with her on that.

It is a fact that King’s is a challenged organisation. We are putting a lot of effort into supporting it. King’s is receiving substantial financial support from the Department. The trust has received more than £100 million of support to maintain frontline services, the second-highest level of support to any individual trust across England. Placing King’s in special measures for financial reasons is a regulatory action to bring about swift improvement and address the trust’s financial challenges. NHSI is working with the trust to undertake a rapid review and agree a financial recovery plan.

Under the financial special measures programme, the trust will receive extra help and oversight, with the appointment of a financial improvement director. The organisation will also be required to draw up and deliver a plan to improve its finances, which NHSI will closely monitor. That will include support from peer providers where appropriate. On top of those special measures, NHS Improvement has also appointed Ian Smith as a new and experienced interim chair for King’s, to take control of the organisation’s position. He was appointed, as I am sure the hon. Member for Dulwich and West Norwood is aware, on 21 December and took up that role with immediate effect.

It is a fact that some profound financial issues at the trust need to be addressed. The trust agreed a budget deficit of £38.8 million in May 2017, yet just five months after the board had agreed that deficit it submitted a re-forecast deficit of £70.6 million, and a further two months later, in December 2017, the trust informed NHS Improvement that its current mid-case projection had worsened again to around £92 million. So, an agreed board position of a deficit of £38.8 million had within seven months gone up to a deficit of £92 million. That is really at the heart of this. When measured, that level of deterioration is an outlier, which is why the chief financial officer and chief operating officer both resigned in November 2017, and the chair resigned, as hon. Members have pointed out, in December 2017.

When announcing the financial special measures, Ian Dalton, the chief executive of NHSI, noted of other hospitals that “none has shown the sheer scale and pace of the deterioration at King’s. It is not acceptable for individual organisations to run up such significant deficits when the majority of the sector is working extremely hard to hit their financial plans, and in many cases have made real progress.”

Helen Hayes: The extent of the financial challenge facing King’s is well documented, and I recognise the figures that the Minister quotes. However, he has not yet recognised the extent of financial savings that King’s was already making. It is not an organisation that had been resisting the need to make savings; it has been making, on average, double the level of savings of any other trust in the country. That points to a situation in which the level of resource afforded to the trust is simply not enough to deliver the day-to-day responsibilities of keeping patients safe. Will the Minister recognise the extent of the effort that has gone into saving significant amounts of money out of the trust’s finances?

Stephen Barclay: I am happy to recognise the hon. Lady’s point that significant savings have been made. However, the regulators found that there had been an over-reliance on non-recurring savings, rather than on delivering the cost improvement programme. For example,
King’s has the highest cleaning costs per square metre, at £71, compared with the median of £41 per square metre. Indeed, in her remarks the hon. Lady talked about the cost of bringing in consultants such as McKinsey, which the King’s board itself brought in. The concern is the slow pace at which those cost savings and efficiencies have been delivered on the back of those reports.

The trust has also been in breach of its licence for financial governance since April 2015. That followed an investigation by Monitor in March 2015 after the trust was unable to resolve long-standing problems at the Princess Royal University Hospital, which it took over, as Members have pointed out, in October 2013. As part of Monitor’s enforcement action, the trust was required to produce and implement an effective short-term recovery plan and a longer-term plan to ensure that patient services were improved and that they were provided in a sustainable way for the future.

The trust does not routinely report its financial performance by site, but analysis shows that the trust confirms that the losses by service are across many services and across both main sites. As I remarked in my opening, while the deficits at the Princess Royal are proportionally, as a percentage, higher than at Denmark Hill, in absolute terms the majority of the deficit is at Denmark Hill. That speaks to the point raised by my hon. Friend the Member for Central Suffolk and North Ipswich, who is not in his place, about the legacy from the Princess Royal.

The trust also faces a number of other challenges. King’s has not met the referral to treatment standard—RTT—since January 2015, at which point the board took a decision to suspend its performance data reporting. The trust resumed reporting of the RTT performance data again in March 2016. Following the deterioration in performance throughout 2016-17, NHSI undertook an investigation into the RTT governance and the drivers of the deterioration, which was completed in July 2017. An action plan based on recommendations from that investigation was subsequently developed by the trust and agreed by NHSI. Again, while the hon. Member for Dulwich and West Norwood says that this is a sudden, late intervention by the Government, a chronology of action and support can be shown.

Taken together, these challenges are the reason why NHSI has invested a lot of time and effort in supporting the organisation. It has provided a member of staff on secondment to the trust for two days per week to support the delivery of the action plan and to strengthen governance around RTT performance and reporting. Delivery against the action plan is monitored by NHSI through its formal monthly provider oversight meetings with the trust, and it is working closely with the trust to agree an appropriate timeframe for the sustainable return to compliance.

King’s has received more than £350 million-worth of working capital since 2015-16, and was also successful in securing a £47 million capital loan in April 2017 relating to Windsor Walk. Along with other trusts, King’s has also benefited from £21 million of public dividend capital funding since 2013, covering many central programmes including cyber security and digital care. In the last three years, King’s has invested in new capital assets in excess of the level needed just to maintain their asset base and above the average across all foundation trusts and NHS trusts.

The Department of Health commissioned Deloitte to review the trust special administrator’s analysis of the split of South London’s deficit, pertaining to when the Princess Royal came within the trust, and to provide an updated view of the split of the forecast out-turn deficit for 2013-14. Its assessment of the Princess Royal University Hospital’s share of the deficit for the full year was approximately £22 million. The trust reported deficits in the three subsequent years, despite significant other integration cost and bridging support revenues. It brought in PwC in the autumn of 2014, and appointed a turnaround director to initiate a financial recovery plan process. The trust then had McKinsey in during 2016-17 to drive a transformation programme, which has been very slow to yield the significant benefits that were promised.

The trust has been subject to enhanced financial oversight since March 2017, which includes the following support from NHSI: a senior financial adviser embedded at the trust; monthly financial oversight meetings with NHSI; participation in the financial improvement wave 2 programme; and, since April 2017, the trust has also received dedicated support from NHSI’s transformation and turnaround team as part of its enhanced financial oversight. More recently, in 2017-18, the trust has had external support from PwC, Ward 20/20, and Bailey & Moore. We need to be clear about what has caused the recent problems at King’s, including its recent rapid deterioration, and what has not, but it is not a lack of support and consultancy.

The argument that the cause of King’s problems can be found in the merger with Princess Royal, which several Members raised as a contributory factor behind the subject of the debate, does not stand up to scrutiny. In October 2013, King’s College Hospital Foundation Trust completed a transaction to acquire Princess Royal University Hospital and Orpington Hospital on the back of the trust special administrator’s recommendations regarding South London Healthcare Trust. The trust also took over responsibility for additional services at Beckenham Beacon, Sevenoaks Hospital and Queen Mary’s Hospital, Sidcup.

In the summer of 2013, King’s presented a five-year integration plan that showed small net surpluses of £2 million to £4 million in each year from 2013-14 onwards. The plan was assessed to be of medium risk by Monitor’s assessment team, but was none the less plausible thanks to generous support funding agreed by the Department of Health and NHS England at the time. The trust’s current financial problems reflect, as I said earlier, a continued overreliance on non-recurring savings, instead of delivering recurring benefits through cost improvement programmes and especially a failure to improve medical productivity at both the Denmark Hill and Princess Royal sites.

Model Hospital data, which is available to the trust, suggests that the trust has significant opportunities for efficiencies in areas such as orthopaedics. NHSI is supporting the trust to develop its cost improvement plan programme for 2018-19, which includes developing schemes based on validating those potential opportunities.

While there is never a single cause in such cases, and while we have acknowledged the pressures being felt across the system, the clear conclusion to draw from the evidence is that King’s was an outlier in financial terms and had lost its grip of its finances in recent months.
I spoke with the trust’s chief executive yesterday and he acknowledged that there had been a serious problem with the trust’s financial planning process. Defects in the way the trust’s plan was put together eroded the regulator’s confidence in the trust, and it is for that reason that the trust has entered into special measures for its finances. The financial special measures regime has a proven track record of success in supporting trusts, as shown with North Bristol NHS Trust, which recently exited the special measures regime.

In losing control of its finances in the way that it has, King’s has effectively taxed others in the NHS, which is why it is right that NHSI took action in the way that it did. This organisation got itself into a very bad financial position and now needs a great deal of help and support. As the right hon. and learned Member for Camberwell and Peckham set out, we can agree on both sides of the House that King’s needs support. It is for that reason that the regulator has intervened to put it into special measures.

6.9 pm

Helen Hayes: I thank the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who is not in his place, for bringing his experience to the debate. I am pleased that, having looked at the issue in some considerable detail when he was a Minister, he recognises, as the Minister seems not to, the problems that the merger of King’s with the Princess Royal and Orpington Hospital has caused for the trust.

The fact of the matter remains that the trust’s finances were stable and it was performing well on every measure until that merger took place. It has never been the same since. The combination of the drop-off in the increase of funding year on year, which has affected the finances at Denmark Hill and the organisation’s resilience to carry across costs to the Princess Royal and Orpington, with the irresponsible lack of a review mechanism for the funding settlement post-merger has, in my view, played a major role in destabilising the finances.

I thank my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), who has been a formidable champion for King’s for more than 35 years. She knows very well from direct experience exactly how bad things have been in the past at Denmark Hill, and how close we are to seeing once again those terrible circumstances of patients waiting far too long in A&E to receive the treatment they need so badly.

In summing up, I want to highlight two points on which I disagree with the Minister’s analysis. First, notwithstanding the support that the Government are putting in, they maintain a punishing approach to the finances of NHS trusts that are in financial difficulty. A system for funding our NHS that takes a trust that is already under financial strain, fines it and charges it additional interest for failing to meet impossible targets is a system that makes no sense at all. A system for funding our NHS that funds on a block grant basis emergency admissions, the volume of which hospitals have no control over, and then cancels elective operations, which deliver the revenue into our hospitals when pressures come through the front door of accident and emergency, is a system that makes no sense. The Minister has not addressed that conflict and the perversity in the funding system for the NHS.

Finally, I urge the Minister to consider very carefully the need for substantial capital investment in King’s at Denmark Hill. I am concerned that when staff at King’s hear talk about failures in efficiencies, and when the Minister talks about the failure to improve medical productivity, the inference is that staff are somehow not working hard enough.

Stephen Barclay: To clarify, that is absolutely not the point. The point is about billing and how rotas are managed. It is not about whether staff are working hard or not. We very much recognise that they are.

Helen Hayes: I am grateful for that clarification, but that needs to be communicated very clearly to staff, who are feeling the pressure of this crisis. When we talk about efficiencies at King’s, they are in a lack of buildings, ward capacity and fit-for-purpose facilities to deliver when facing the challenges that are coming through its front door every single day. That matter urgently needs to be addressed as part of this turnaround process.

Question put and agreed to.
Resolved,
That this House has considered King’s College Hospital finances.

6.13 pm
Sitting adjourned.
Westminster Hall

Wednesday 17 January 2018

[AME] [C]

Joan Ryan (Enfield North) (Lab): I beg to move, That this House has considered county lines exploitation in London.

It is a pleasure to serve under your chairmanship, Dame Cheryl. I thank all hon. Members who are here to participate, and in particular my hon. Friend the Member for Stockport (Ann Coffey) for her support before this debate and for her important work as chair of the all-party parliamentary group on runaway and missing children and adults.

London gangs and criminal networks from other major cities are aggressively expanding their illegal enterprises. They are flooding suburban and rural areas as well as market and coastal towns with drugs. They co-ordinate their sales through dedicated mobile phone lines in a practice known as county lines activity.

The latest National Crime Agency report reveals that, “there are at least 720 lines across England and Wales”, with “at least 283 lines originating in London.”

Worryingly, the report states: “The actual number may well be considerably higher, as many of these areas are likely to have more than one line.”

London is the major urban source of county lines activity, and I will consider how the Met police, local authorities and other agencies in Enfield and across the capital are working to address it. It is spreading out from London and other urban areas, however, to reach into every area of our country. It is a national issue that demands a co-ordinated, nationally funded response that focuses on policing and children’s services.

County lines activity is having a terrible, damaging effect on young people, vulnerable adults and local communities. Children from my constituency and beyond are being exploited by gangs and forced to transport class A drugs, weapons and money great distances away from where they live.

Between November and December 2017, at least nine children from Enfield were reported as missing. Enfield police issued a statement to reassure the public that the borough was, “not experiencing a disproportionate amount of missing teenagers.” That was undoubtedly true, but I know from the messages and emails I received that the public were not reassured. If nine missing children in a matter of weeks is not disproportionate and there are 32 London boroughs, that is very frightening. There was genuine alarm about what was happening to those children and speculation that county lines exploitation could be involved.

It is not only vulnerable children and teenagers who are affected. Gangs are taking over the homes of vulnerable adults in those areas to set up drug dens—a process known as cuckooing—often through violence and coercion, or in exchange for free drugs. Many communities affected by county lines activities are reporting a rise in knife crime offences, violent crime and drug use.

The Government acknowledge that, “County lines is a major, cross-cutting issue involving drugs, violence, gangs, safeguarding, criminal and sexual exploitation, modern slavery, and missing persons”.

Lyn Brown (West Ham) (Lab): Does my right hon. Friend agree that one of the good advances that we have made over the past year has been to understand that some of our children are being coerced into those gangs? Is she pleased, as I am, that the modern day slavery legislation is being applied in such cases so that those children are understood, rather than condemned?

Joan Ryan: Indeed, I will come to that later. As pleased as I am about the modern day slavery legislation, it has been used very little. In fact, I think there has been only one case, which I will refer to. We need to bear it in mind that those children often do not see themselves as being exploited. They think, “I’m doing rather well here. I’m getting money in.” If they are not cared for, they feel cared for by their exploiters.

The Government acknowledge that, “the response to tackle it involves the police, the National Crime Agency, a wide range of Government departments, local government agencies and VCS (voluntary and community sector) organisations.”

However, they must also acknowledge that county lines activity is putting our vital public services in London and across the country under even greater strain. Our health and social care services, police forces, schools and youth clubs are trying to tackle this growing menace at a time of Government-imposed austerity and severe funding cuts to their budgets.

The way in which county lines activity is being carried out changes all the time—the use of social media as a recruitment tool is one recent development. Authorities require the resources to respond dynamically to those changes and be innovative. I call on the Government to establish a national, co-ordinated, inter-departmental and inter-agency strategy to tackle county lines activity. I urge the Government to ensure that they provide our public services and local authorities with the support and financial resources they need to end the exploitation of some of our most vulnerable children, young people and adults.

London is the exporting hub from which county lines activity flows into almost two thirds of police force areas across England and Wales. Every day, older gang members in the capital prey on vulnerable children and young adults, many of whom are from troubled backgrounds, have been excluded from school or are suffering from mental health problems.

It is particularly concerning that almost half the police forces in England and Wales have reported, “that individuals involved with county lines came from care homes.”

All too often, we take less notice of the safety and security of children who are in care. From cases such as Rotherham, we already know what happens when warning signs of abuse and exploitation are missed or ignored. We cannot allow that to ever happen again.
Vulnerable children as young as 12 are being groomed by county lines gangs with promises of money, companionship and respect. In reality, they are often forced to go missing from home for long periods of time; they are used as drug mules with their orifices plugged with class A drugs, predominantly heroin and crack cocaine; and they are trafficked to remote areas and forced to deal drugs in squalid conditions. At all times, they are at great personal risk of arrest by the police—in fact, probably the only time that they are really safe—or of physical and sexual abuse from older gang members, local drug users or rival gangs.

We must remember that this activity is associated with a lot of extreme violence. These are cases of modern day slavery. We have seen harrowing cases of vulnerable adults whose homes have been turned into drug dens by urban gangs, such as one individual who was held hostage in their own home and prevented from using their own toilet. Those vulnerable people, young children and adults, are in desperate need of our help.

The National Crime Agency, which has reported on county lines activity since 2015, acknowledges that there “remains an intelligence gap in many parts of the country”. It states: “A clear national picture cannot be determined currently” of accurate levels of exploitation and abuse carried out in county lines activity in many parts of the country.

**Lyn Brown:** One of the most shocking stories I heard was from a mum whose child had been on the county lines. She told me how she had been trying to stop him, but how he would just come home for a rest before going off again. What was most shocking was that child protection professionals were completely and utterly unaware of him. The gangs played the system really well: social services considered her a bad mum because she was from a mum whose child had been on the county lines activity since 2015, acknowledges that there “remains an intelligence gap in many parts of the country”

It states: “A clear national picture cannot be determined currently” of accurate levels of exploitation and abuse carried out in county lines activity in many parts of the country.

**Joan Ryan:** Absolutely; so much more needs to be done. Let us remember that county lines are somewhat below the radar; we might know about them, but the response to the Twitter reports about missing children in Enfield caused something of a public panic. The public do not know about the issue, so there is not enough pressure to introduce policies to deal with it. Drug dealers like nothing better than operating in the dark, under the radar. Young people especially may not recognise their exploitation.

It is clear that we need to understand the creation, recruitment, opportunities, risks and scale of county lines so much better if we are to address the issue. I therefore urge the Government to commission comprehensive and rigorous research to pull together up-to-date police and local authority data to achieve that aim. After all, how can we hope to tackle the problem unless we understand its true scale? As the NCA’s head of operations for drugs and firearms threats, Vince O’Brien, says: “This is a national problem…there is still no national response.”

Gangs are aware of the intelligence gaps. County lines activity is exposing the challenges of dealing with offenders who operate across police force boundaries. Part of the problem relates to police forces’ ability to work together.

Operating across county lines is a fantastic business model for the gangs, because they are opening up new markets and operating below the radar. They have no competition at the early stages of their operation, and very low overheads because their business is based on using vulnerable children and young adults as slaves. In Enfield, a young person who is absent from school may be regularly reported as a missing person, but in Essex the same child could be deemed by the local police to be a street drug dealer or to have been forced into street prostitution. It is very likely that the two police forces could be operating in isolation from each other. Which is responsible for taking the lead? Do we need cross-border crime squad teams, like the old national crime squads?

Progress can be made by improving how Departments and other agencies share data. In spite of the lack of national leadership on the issue, councils across London, led by Islington’s lead member for children and families, Councillor Joe Caluori, have taken proactive steps to understand the county lines that originate in their own boroughs. They are working together to cross-reference data and identify areas where further information and action are required.

My hon. Friend the Member for Lewisham East (Heidi Alexander) may want to go into this in greater detail, but police in Lewisham have also done innovative work by looking at the numbers of missing young people over the previous 12 months, identifying those who may be at risk of exploitation and uploading their information to the police national computer. That means that Lewisham police will be contacted if any of those at-risk young people comes into contact with another police force, which will build a fuller picture of the scale of county lines activity.

I welcome the Government’s implementation of new drug dealing telecommunications restriction orders, which allow the police to shut down phone numbers used for county lines drug dealing. However, while that is an important step forward, how much disruption will it actually cause? How long does it take for a county lines dealer to simply get another phone and begin sending drug offers to their original contact list? A lot more needs to be done to address the problem at its root.

I am concerned that major questions about county lines remain unanswered. The county lines model is being changed all the time. We know that social media are used to recruit children and young people, but do we know enough? Is there enough research and is it moving at the right pace? There also needs to be a much stronger focus on prevention. By the time the police become involved, it is often too late to prevent irreparable harm from being done to a vulnerable child or young adult, or to ever extricate them from the world they have become involved in.

All Government agencies and local authorities need to be able to recognise and act on the warning signs for victims of county lines exploitation. That requires proper funding from central Government, but the reality is that health, social and children’s services are being pushed to breaking point by the Government’s austerity agenda. In Enfield, the Government have slashed £161 million from the council’s budget since 2010, and the council is required to make a further £35 million of cuts by next year. Immense pressure is being placed on Enfield’s
public services at a time when they are already struggling to support a rapidly growing population. How do we expect councils and other agencies to implement strategies to prevent county lines exploitation, when their resources are being cut year on year? I ask the Minister not to simply pass the buck to local authorities by telling us about raising the precept. Hard-pressed Londoners cannot make up the funding gap, and nor could raising the precept. That is not a solution and should not be put forward as one.

Home Office guidance states that tackling county lines will involve working with groups such as voluntary and community sector organisations, providing meaningful alternatives to gangs. What we need is meaningful actions; warm words just will not do it. The stark reality is that the Government cut £387 million from youth service spending across the country between 2010 and 2016. Government cuts to London councils have slashed youth service budgets by £22 million since 2011, leading to the closure of 30 youth centres and the loss of at least 12,700 places for young people. If the Government are serious about tackling county lines exploitation, there needs to be greater investment in youth clubs for children and teenagers and in children’s services across the board.

A standout example of best practice to tackle county lines in London is Project Denver, an initiative piloted by the Met’s Trident gang crime command unit in Enfield between October 2016 and January 2018. The project’s objectives are to dismantle one of the most violent county lines gangs in London, to identify vulnerable people who are at risk of exploitation, and to prosecute the gang members responsible. The team assigned to the initiative is made up of specialist Trident officers and local police from Enfield and other affected forces, working alongside Enfield Council and other councils within and outside London. So far, 20 operations have taken place, leading to more than 100 arrests and the identification of more than 50 vulnerable children and adults. The gang has now largely been dismantled. Formerly one of the most harmful gangs in London, it is now ranked outside the top 20.

Ronnie Cowan (Inverclyde) (SNP): I am interested in what the right hon. Lady says, but there is a slight problem with her argument. Every single time the police intervene and take down one gang, another is only too willing to step into the void. That gang will use increasing violence, because that is how these people operate: the more violent they are, the more territory they control. Every time we pull down a gang, another will step in until we get to the root of the problem: the illegal market.

Joan Ryan: I do not disagree with the hon. Gentleman’s points that we must get to the root of the problem and that these gangs operate in a violent manner. However, I do not think that we can leave them in place; we would be abandoning children and young people to their mercy. We need a much bigger, better-resourced operation based on national intelligence about how county lines operate. That may then help us to address the root causes of the issue.

Ronnie Cowan: I think we are trying to achieve the same thing and we are genuinely both looking after the interests of these young adults. However, if we regulated the marketplace, we would take away all the power from all the criminal gangs and all their production, distribution and selling of the product, and therefore they would not need these couriers to do the job for them. I am talking about re-regulating the drugs market at the top level, which would immediately take all the power away from the gangs.

Joan Ryan: I understand what the hon. Gentleman is proposing, but I do not agree with him and that would not be the solution that I would look for. I do not believe that it would necessarily solve the problem, because violent gangs would either move on to some other product or would want to sell the product at extortionate profits, whether it was legal or otherwise. We see the sale of illegal cigarettes all the time, yet cigarettes and smoking are legal, so I am not sure that I can agree with him. However, I thank him for his intervention.

Ronnie Cowan rose—

Joan Ryan: I will allow the hon. Gentleman to intervene again shortly.

I want to finish what I was saying about Project Denver, because when we have an example of something that works, we should pay it some attention. One of the fundamental problems is poverty and the lack of care for exploited young people. We know how effective things like Sure Start were and we know how effective neighbourhood policing, which has been decimated, was. We know what some of the solutions are, without having to legalise class A drugs.

The gang that I was talking about has been largely dismantled and it has gone from being one of the most harmful gangs in London to being ranked outside the top 20. Earlier this month, as part of Project Denver, two drug dealers from Enfield were convicted of human trafficking offences under the Modern Slavery Act 2015, which was the first case of its kind in the UK. Those men were operating a London-to-Swansea county line and they had trafficked a vulnerable 19-year-old woman from London to a house in Swansea, where she was being held against her will, in order to supply class A drugs.

The successful prosecution of those two men shows what can be achieved when police forces, local authorities and other agencies share data effectively. But make no mistake—this work is resource-intensive. It cannot be done successfully unless there are the necessary resources. At the moment, if police forces and local councils put resources into this work, they have to take them from somewhere else, and under the pressure of funding cuts everything is a priority right now.

I believe that Enfield police and the Metropolitan Police Service as a whole are doing a good job, under immensely difficult circumstances, to keep Londoners safe. However, since 2010 the Government have axed more than £600 million from the Met’s budget and in the next three years they plan to cut several hundred million pounds more. The Metropolitan Police Commissioner, Cressida Dick, has warned that further cuts to the Met’s budget would lead to the loss of 3,000 officers, which is 1% of London’s police force, by 2021. That would mean that London had just 27,500 officers, which would be the lowest level in 19 years, at the same time as London’s population is growing.
The latest figures, which are from December 2017, show that Enfield—just one London borough—has just 504 officers, which is 48 fewer officers than the borough’s target strength. The police are operating with one hand tied behind their back: they simply do not have the officers to do the job. That comes at a time when knife crime in Enfield has risen considerably; it rose by 48% in the last year alone. If the Government are intent on continuing to cut the Met’s budget, what hope is there for vulnerable children and adults who are being exploited by county lines? Do those people not matter? The Government should be under no illusion as to how resource-intensive county lines operations are. The Met must be given the resources it needs to tackle county lines in London.

County lines exploitation is a major issue for London and the UK. As the Prime Minister has said, modern slavery is “the great human rights issue of our time, and… I am determined that we will make it a national and international mission to rid our world of this barbaric evil.”

Well, Prime Minister, county lines exploitation is modern day slavery, and it is now three years since the National Crime Agency published its first assessment of it. Since then, the police, children’s services and other agencies have called for a national strategy to end this exploitation of vulnerable children and adults. On 19 January 2017, which is almost a year ago to the day, a cross-party group of London councils wrote to the Home Secretary to press the Government to implement a national strategy. So where is it?

The Government must show national leadership on this issue. We urgently require a national strategy to ensure that consistent practice in tackling county lines is applied across all local authorities and police forces in London and throughout the country. We cannot allow more vulnerable children, young people and adults, who currently are all too often invisible to the police and child protection services, to fall between the cracks. The Government must make tackling county lines exploitation in London and across the UK a priority.

9.55 am

**Will Quince** (Colchester) (Con): It is a pleasure to serve under your chairmanship, Dame Cheryl, and I congratulate the right hon. Member for Enfield North (Joan Ryan) on securing this debate and making a very powerful case in relation to tackling county lines and some of the many issues that come with that.

More observant Members will know that Colchester, despite being Britain’s oldest recorded town and its first capital, is actually 60 miles from London. Although the subject of the debate is county lines exploitation in London, county lines have a far wider reach and impact, as we all know.

Traditionally, although every town and city across our country has been affected by the scourge of drugs and knife crime, they have largely been the preserve of our capital and our major cities, where the vast majority of those particular types of criminality has been prevalent. However, what we are increasingly seeing, partly because of a saturation of the market in London and in some of our other major cities, is that drug dealers and the gangs that peddle these disgusting substances are moving further afield to sell their wares and operating county lines.

I represent a seat in Essex and traditionally we saw such activity taking place in some of the towns on the outskirts of London, but more recently—certainly over the past two and a half years—we have seen criminal gangs are moving further and further out from London, to towns such as Colchester and even to towns further afield, because of the opportunity that such new markets present.

The right hon. Lady made a very powerful case about county lines and why we have to tackle them—in particular, because of the young people involved. In my constituency, we have seen an increase in county line activity. Those listening to this debate outside Westminster Hall may not understand what a “county line” is, and it is important that we actually spell out what it is. It is a network of mobile phone lines that are bought and sold like franchises—[Interruption.] Perhaps the right hon. Lady did explain: I may have misheard. But it is important that the public have an understanding of what county lines are, because, as she rightly said, they often go under the radar and people do not understand how easy it is—particularly for young people—to be sucked in and trapped by these drug gangs in the conveyor belt and cycle that the county lines operation represents.

County lines are phone lines bought and sold, like franchises or small businesses. Often, the people who own them are never involved in touching drugs at all, but they increasingly use young people to spread their networks up and down the country.

In Colchester, we have seen an increase in knife crime, which is hugely regrettable. However, what is really interesting about that increase, and it is why this debate is particularly important, is that predominantly both the victims and perpetrators of knife crime have not been from our town. They have not come from Colchester; they are from London. On one particular night, we had six knife attacks, and every single one of the individuals involved—both the perpetrators and the victims—was from London. They were part of rival drugs gangs who were coming to Colchester to sell drugs, and bringing with them the knives, the intimidation and the violence that come with that activity.

We have also seen an increase in cuckooing. I know that the right hon. Lady touched on this issue, but it is important to spell out what a scourge on our society cuckooing is. Cuckooing is where a drugs gang, often operating through a county line, will come to a town such as Colchester and pick on a vulnerable person, whether that is someone with mental health issues, someone in social housing, a prostitute or someone who is already addicted to class A drugs. The gang will operate from that person’s property, which is often social housing, using that base to exploit that individual or individuals to sell their drugs from the location over the course of a week or two.

An individual came to my constituency office absolutely petrified. He was clearly a class A drug user—he was perfectly honest about that—and he said, “I have had people come to my flat. They came with a gun. They took over my flat.” First, they offered him drugs, which he of course accepted; he was addicted to heroin. He said, “It has got to the point where they will not let me back in my flat. They have taken over.” He was too
scared to go back to the flat, because they said that they would kill him. He came to me, and I gave the only advice I thought I could give, which was to go to the police. He went to the police station and he was subsequently arrested, because they went to the flat and found a large quantity of class A drugs. Despite that perhaps being a regrettable outcome, it was probably the best and safest place for him at that point in time. Cuckooing is becoming a major issue because it is happening more and more frequently.

Ronnie Cowan: What we are seeing here is that a person with a drug addiction went to the hon. Gentleman looking for help and the best outcome he could find was to be arrested.

Will Quince: That is not quite what I said. I said it was the safest place for him because the police were able to take action. What advice should I have given to an individual coming to my constituency office who said an individual with a firearm had taken over his property? What action the police chose to take was up to them. That is not my job as a constituency MP; my job is to protect the individual and other individuals living in my constituency when I hear a report of a firearm. The issue is for the police.

On the wider issue of cuckooing—this is not a party political point; we all agree that we urgently need to tackle this issue across the country—what worries me most is how these drug gangs operating county lines are targeting the young and some of the most vulnerable people in our society. I mentioned that these cases often involve prostitutes, those with mental health issues, those in social housing and class A drug users, but often there are families involved in that scenario, too. Just because someone is a class A drug user, that does not mean they do not have children in the property. If a drug dealer operating a county line comes to a young person’s property and threatens them and their mother, I would not blame that young person for taking action to protect their parent, especially if they are young and vulnerable. That is why it is important that we take a long hard look at how we treat these young people and how we intervene.

I take all the points that the right hon. Member for Enfield North made on support services. We have to do more to put support services in place. Where we identify those young people—I take her point about missing people—who are vulnerable and are involved, or in danger of being involved, in a drug gang or a county line, we have to intervene, but we have to be clear about the action we want to take. It is important that we do not criminalise those young people. We should treat them as victims, because it is dangerous to criminalise them.

I predict that the Minister will say that if a young person is involved in a serious crime—especially a crime that affects another person, such as a stabbing—it is absolutely right that the criminal justice system takes full effect. However, if a young person has clearly been a victim and has been exploited and used as a drug mule carrying drugs about their person, as the right hon. Member for Enfield North said, or has been dealing drugs—it could even be a case of modern slavery—it is important that we send a clear message to that young person that we want to help. We should say, “We will intervene. We want to ensure that we get you back on the path to being fully involved in society.” We should not set them off down the wrong path, which is the danger in labelling them a criminal. What kind of message does that send out? When they are an exploited, vulnerable victim, what path does that set them on for the rest of their life?

We have to be careful how we treat young people in particular. To be clear, drug gangs are increasingly using children as young as eight, nine or 10, potentially entrapping them with gifts such as trainers, phones and other things, at which point they feel completely owned by that individual or drug gang. Sometimes it is worse—sometimes it is physical violence against them or a family member who they love. The point is that we have to intervene and offer them some kind of hope and a way out of a horrific situation.

I am passionate about tackling this issue, and I am keen to work cross-party to ensure we put in place the right measures and make support available, particularly to those young people to help them get out of that potential life of crime. I know the Minister is equally passionate because we have had so many conversations about it. First, I urge her to encourage police forces to work far more closely on the county line issue. We need to get police forces outside London to work far more closely with the Metropolitan police in London, where sadly a lot of the county line activity emanates from. We need to put in more resources to tackle the county line issue. The Government recently put in just under £300,000, so they are taking action, but there is more to do. This is a growing issue that is largely going under the radar. Second—potentially this is more of a Justice issue than a Home Office issue—when we intervene and find those young people who are victims, are being exploited and have gone through the most horrific experiences, we should look at them as victims, not criminals.

10.6 am

Ann Coffey (Stockport) (Lab): It is a pleasure to serve under your chairmanship, Dame Cheryl. I thank my right hon. Friend the Member for Enfield North (Joan Ryan) for securing this important debate on county lines; I thought her contribution was absolutely fantastic. I was interested in the description that the hon. Member for Colchester (Will Quince) gave of the impact of county lines on the community he serves. He said that despite the fact that his community is away from London, the county lines have a corrosive effect on it.

The National Crime Agency report “County Lines Violence, Exploitation & Drug Supply 2017”, published in November, mapped the growing extent of the exploitation of children and young people and the shocking levels of violence, intimidation and coercion used. That this has reached such levels in what we all believe to be a civilised society is shameful. The NCA accepts that it does not have a national response at this time, but following its report, it will prioritise county lines and take a co-ordinating role with local and regional police forces. I think we would all agree that that is long overdue, and it would help if the Minister expanded a little on what that might look like.

There has been concern for some time about the growing county lines operations of organised crime gangs based in the big cities. In 2015, Missing People
and Catch22 presented their report “Running the Risks” in Liverpool. It explored the links between gang involvement and young people going missing. In 2016, our all-party parliamentary group, which is supported by the Children’s Society and Missing People, reported on the safeguarding of absent children. We found evidence that children reported as absent who the police decided were at no apparent risk ended up falling through the safety net, exploited by adults for sex and/or for supplying and selling class A drugs.

The majority of those recruited by gangs are 15-to-17-year-old boys, but boys are more likely to be recorded as absent and at low risk than girls. That is why county lines operations have been able to exist below the radar. Girls who are exploited along county lines are at increased risk of sexual exploitation and trafficking. We should not forget that children can suffer multiple exploitation. We cannot simply deal with that by putting the issues into particular silos; it all has to come together in an understanding of the exploitation of children.

In 2017, the all-party group held a roundtable on children who go missing and are criminally exploited by gangs. We warned that the safeguarding system was failing children because of a lack of understanding of the signs of exploitation and because many children were still being seen as criminals and not victims—a point made by my right hon. Friend the Member for Enfield North and the hon. Member for Colchester. Looked-after children are particular targets for grooming by criminal gangs, and those placed out of the borough can be especially vulnerable, as are young people in pupil referral units. Such children are particularly vulnerable to exploitation because of the circumstances of their lives and their exclusion from schools.

Preventing young people from becoming embedded in gangs has to be a priority. Key to identifying early risk is the sharing of data on missing children. Frequent missing episodes and being found out of area, returning from missing episodes with injuries and unexplained absences from school were all highlighted as being signs that a young person could be involved in county lines activity.

There are issues about how missing data is collected and shared. I welcome the new missing persons database that will be operational later this year, but how effective it will be will depend on the information gathered by local police forces. Will the Minister say when the missing persons strategy will be updated? Recognition of missing episodes as indicators of potential criminal exploitation, followed by appropriate and timely responses, might prevent further exploitation of vulnerable children and young people. Disrupting county lines and convicting the criminals behind them is vital. Organised crime has been getting the message that, provided they use children and young people, we are powerless to do anything about it.

On 4 December, our APPG held an event at the House of Commons, attended by experts, professionals, police and practitioners to discuss the disruption of county lines and how children and young people can be better protected. There was overwhelming support for more use of trafficking legislation and the Modern Slavery Act 2015.

The national referral mechanism was set up in 2009 to identify victims of human trafficking or modern-day slavery. Acceptance by the national referral mechanism clearly identifies the young person as a victim, even if they have committed a criminal act, which is very important in the context of criminal exploitation. Evidence from the Children’s Society and ECPAT shows that the knowledge, understanding and implementation of the national referral mechanism is patchy. ECPAT is also concerned that the national referral mechanism does not necessarily trigger any safeguarding response and should be embedded into the child protection system.

As my right hon. Friend the Member for Enfield North mentioned, there have been very few prosecutions under the trafficking legislation. One of them was at Swansea Crown court—the case that she mentioned, the first of its kind, against the gang operating out of London. There are ongoing cases in London, but, as with any new legislation, the police and CPS will be waiting to see how successful those cases will be.

We need effective tools to prevent young people from being used as drug mules by organised crime. Lewisham has used criminal behaviour orders, which can prohibit a young person from travelling to certain places, which makes them less attractive to the criminal gang. Child abduction warning notices can also be served on individuals suspected of grooming children and young people. Although there are some issues with those, such as the need to consult with parents—we can all see what the problem with that might be—there clearly identify that it is an individual adult who is exploiting children and it is the child who is the victim, which puts the responsibility where it belongs. That might encourage communities to look at the people operating in their communities as exploiters of children and might help to change attitudes towards those people.

However, there should be a notice that is more in keeping with the trafficking legislation than the Child Abduction Act 1984 is, and it should apply to all 16 and 17-year-olds, which child abduction warning notices do not. Breach of the new notices could then be used as evidence to apply for orders that carry penalties under the trafficking legislation. Will the Minister support such an approach?

We have a fragmented safeguarding system that responds to the child as a victim or as an offender and does not recognise that a child can be both. The most powerful contribution to our December meeting was from a parent who had battled hard to get safeguarding agencies to understand that her son, who was being groomed into criminal activities, was an exploited child. Her son became more and more embedded into county lines and ended up being stabbed. The parent said:

“It became so frustrating as all services that were assigned to working with my son in this period were all working as separate entities. With this came, on many occasions, lack of communication, oversight or duplication of what was meant to be done or not take place, and this caused me great distress.”

In the end, she herself set up an email group for all the many agencies to co-ordinate information about her son, which proved helpful. It is important to learn from the experience of parents to make sure that the safeguarding response that a system provides is helpful to both the young people and parents and does not make a bad situation worse. It is important to understand the impact.
of out-of-borough placements on young people, which can expose them to further risk rather than protect them.

We need to challenge public attitudes that blame the young person for their own exploitation. This echoes the early cases of child sexual exploitation where the young girls were written off as prostitutes. But who can blame the public when that was the view of the agencies tasked with safeguarding children? Education is crucial. The Greater Manchester police “Trapped” campaign focuses on county lines, aims to raise awareness of the grooming process in communities and schools, and encourages communities to spot and report exploitation of young people.

Greater Manchester police says that county lines is a much broader issue than drugs and also involves the transportation of firearms and money. It is a developing business model, as my right hon. Friend for Enfield North has already said. It is vital for police forces and agencies to work well together, so Greater Manchester police is working closely with forces that have an expanse of rural areas such as Cumbria, Cheshire, North Wales and Lancashire.

The excellent Greater Manchester police YouTube video, made for the “Trapped” campaign, illustrates vividly how a child drawn by the offer of cash becomes more and more embedded in the gang. What at first seems like easy money becomes a miserable existence of escalating violence and threats to life. We know that certain factors make children more vulnerable to exploitation, but all young people can be vulnerable at the time of transition from primary to secondary school.

That is why it is important that sex and relationships education in schools involves raising awareness of criminal exploitation and county lines.

Joan Ryan: I completely agree about the transition period being a risk. Does my hon. Friend agree that the pupil referral unit, where we have seen gang members hanging around to recruit youngsters who often are vulnerable, is also a risk?

Ann Coffey: My right hon. Friend is absolutely right. Young people in PRUs are specifically targeted by organised crime because of their vulnerabilities. Vulnerable young people often feel there is nothing else for them on the horizon except what the drug dealer might offer. Poverty, poor housing, unemployment and living in a high crime neighbourhood creates the conditions for county lines to flourish.

County lines is also a public health issue. We cannot ignore the demand for drugs and the impact on individuals, families and children’s health. Health needs to be part of the safeguarding response to county lines at a national and local level. I thank the Minister for meeting me recently to discuss many of the issues.

Recent media coverage has meant an increase in the awareness of the extent of exploitation of children by organised crime, reaching beyond high-crime areas to communities that have never experienced the brutality and violence that comes with county lines. It is progress that there is increasing awareness and that the National Crime Agency is taking a national co-ordinating role. There has to be an effective response by the police leading to successful prosecutions so that county lines are disrupted. Alongside that there needs to be better identification of children at risk by agencies working together at a local and national level. There need to be better interventions earlier in children’s lives, and more resources.

Heidi Alexander (Lewisham East) (Lab): It is a pleasure to follow the contributions of my hon. Friend the Member for Stockport (Ann Coffey) and the hon. Member for Colchester (Will Quince). Both Members spoke with a huge amount of sense, obvious compassion and a clear understanding of the issues. I congratulate my right hon. Friend the Member for Enfield North (Joan Ryan) on securing the debate. She made a characteristically well-informed and engaging speech, which, as my hon. Friend the Member for Stockport said, was thoroughly excellent.

I agree with my right hon. Friend that there should be a co-ordinated national approach to tackle the running of drugs along county lines and that we need to review the way in which we deal with children, young people and vulnerable adults who get themselves caught up in such activity. I also believe that we need to consider tougher sanctions for those directing and driving such activity and to ensure that the Crown Prosecution Service, the police and local authorities have the resources and powers that they need to tackle the problem.

I first learned about the phenomenon of county lines drug running about four years ago, following a visit to my advice surgery by a distressed mother. I can picture her now: she was a woman living three or four roads away from my home in Lewisham; she was originally from Sierra Leone, and spoke limited English; and she was in a state of desperate confusion. Her teenage son had been arrested the previous day in Portsmouth. I asked, “What’s he doing in Portsmouth?” She did not have an answer, but she was scared stiff about what was going on, and what she feared had been going on for a while but could not describe. She was crying out to me, as her Member of Parliament, for help.

The mother said that she could not cope. She talked about strange men hanging around her front door, and the fact that her son would disappear for short periods. She did not know what he was doing, and she asked me to help her find out what was going on. Her son was involved in running drugs from Lewisham to the south coast. There are currently 317 under-25s from Lewisham believed to be involved in that activity, of which about 200 are of school age. They are supplying drugs in 19 different counties. That is 200 school-age children from one London borough out of 32, so the problem is not insignificant.

Last year, as a result of a two-year operation involving the police and the local authority, 174 arrests were made, including 22 key adults. A number of the individuals who were arrested are still awaiting their criminal justice outcomes, but so far 121 years of prison sentences have been handed out collectively. Some 23 kg of class A drugs were seized, with a street value of £4.5 million. Lewisham Council, thanks to the leadership of officers such as Geeta Subramaniam and elected councillors such as Janet Daby, has taken a proactive approach to tackling the problem. Some of my colleagues have spoken about the sorts of measures that have been taken. Those people at the council are determined to
stop the involvement of children, and let us be clear that some of the individuals involved in this activity are children. I get the sense, though, that they are frustrated.

Ronnie Cowan: I may be putting myself on the line here again, but I refer the hon. Lady to Neil Woods, who was an undercover police cop and drug officer for 14 years. He put his life on the line to fight against such people. He probably knows more about cuckooing, county lines, and the production and distribution of drugs than all of us put together. Neil himself estimates, having worked for 14 years and put people away for thousands of years in cumulative prison terms, that he disrupted the supply of class A drugs by a total of two hours across his entire career. I am not saying that we should not be trying to do it, but how we are going about it clearly is not working.

Heidi Alexander: I have some sympathy with what the hon. Gentleman says, because I think that what happens in prison to rehabilitate offenders and to take them off the path that they are on is just as important as how many years they spend there. I am not sure at the moment that the system operates correctly, so I have some sympathy with his point. However, the point I am making is about the scale and significance of the activity in one part of London, and the action that is being taken by the local authority and the police to try to tackle it. As I will come on to say, that is very difficult in a time of constrained resources and with the funding pressure that the Metropolitan police and local authorities such as Lewisham are under.

As I was saying, I get the sense, from talking to police and council staff, that they are frustrated in trying to tackle the problem. A number of years ago, there was an operation called Operation Pibera, in which the local authority, in conjunction with the CPS and the police, tried to bring charges of trafficking under the Modern Slavery Act 2015. Unlike Enfield, they were not successful in securing those prosecutions. They wanted to bring those charges because the sentences associated with that sort of conviction would be longer than for the other lesser offences with which the individuals could have been charged.

The guys who are in control of the activity and who are luring, and sometimes coercing, children, teenagers and vulnerable adults into getting involved should feel the full heat of the law. They are people who will stab someone who wants to get out of doing the drug running. They are taking advantage of kids and adults with mental health problems by, in effect, getting them to do their dirty work. It is despicable, and rather than simply going for the low-hanging fruit of charging the individuals found with the drugs or the money on the day, there needs to be a mechanism in place to hold the guy at the top responsible.

As I understand it, the Modern Slavery Act was drafted primarily to deal with problems around individuals forced into sex work and domestic servitude. The running of drugs along county lines is different. Some of the underlying principles may be similar, but I would be interested to know whether the Minister agrees that it might be sensible to review whether amending the Act could make it easier to bring successful prosecutions, to ensure that those calling the shots on the county lines are held responsible.

It has been put to me that one of the changes that might be considered is changing the law to require the police and the CPS to prove, in relation to drug offences committed by, for example, teenagers on the county lines, that they were not being exploited, but were knowingly and willingly involved in the activity. The Minister would need to consider that issue in the round, but I would be interested to know whether she is looking at amending the Modern Slavery Act in any way. I believe that some 14-year-olds will know exactly what they are doing, but others will be victims, and we need to take our responsibilities to those children and young people seriously. Just because they might not be cared for, that does not mean that they do not matter.

Lyn Brown: I am grateful to my hon. Friend for giving way. Everybody has been very generous this morning. One mum told me what she had heard about how county lines were being run. She told me about the provision of a gift such as trainers to an individual, which is then considered to be a drug debt that has to be paid back. When the child goes on the county run to pay back the debt, they are robbed by the very people who sent them out, which means that the debt gets higher and higher, and the child has to work it off. They cannot go to their parents to ask for money to pay off the drug debt, because they are often not wealthy people, or the individuals simply do not want to burden their parents by asking for that kind of money. It is coercion and slavery, whichever way we look at it.

Heidi Alexander: My hon. Friend highlights the precise problem.

How we prosecute individuals involved in this crime needs attention, but so do the tools that the police and local authorities have at their disposal to detect and disrupt such activity. I know that the Government recently introduced regulations to allow the police to apply to a court to close down the mobile phone being used to receive the drugs orders, for want of a better word for them. I know that those regulations were introduced only in December, but it would be helpful to receive an update from the Minister on whether any such applications have been made, and whether they have been successful.

Will the Minister say what resource is being given to the Metropolitan police, the National Crime Agency and local authorities in London to ensure that the basic tasks that are needed to track and monitor such activity can be carried out comprehensively and in a timely fashion? I know that Lewisham Council is keen to do more work on a pan-London basis, looking at how statutory agencies might use social media more effectively to track and predict county lines activity, but that, of course, needs to be funded.

It also seems to me that the work done by councils and the police in big cities such as London to educate young people about how to stay safe is absolutely critical. We teach young people road safety. We need to have the same focus on bullying, knife crime, drugs and healthy relationships in our schools. We can pretend that this is not happening, but that is not doing anybody any favours. We also need to ensure that parents are
involved in that conversation. All of that costs money and my genuine concern is that it is money that local authorities and the police do not have.

In my first term as a Member of Parliament, I visited the parents of three boys who had been stabbed to death in my constituency. I never want to do that again. My fear is that the postcode wars of seven or eight years ago, where gangs were defined by territory and violence escalated through revenge stabbings, are being replaced with gangs running drugs down to different parts of the country. The outcomes—people being stabbed and poor kids living in fear—are exactly the same. I do not want children growing up in Lewisham to have that on their plate. We need to find a way to join up the pieces of this jigsaw puzzle, treat children as victims when they genuinely are, take tough action against the ringleaders and find a way to stop the problem spreading. It already ruins too many lives in places such as Lewisham. The least we can do in this place is to try to work out a way to tackle it.

**Dame Cheryl Gillan (in the Chair):** We now move on to the Front-Bench speeches. I am sure the hon. Ladies on both Front Benches will know how to divide the time equitably.

10.31 am

**Louise Haigh** (Sheffield, Heeley) (Lab): Thank you very much, Dame Cheryl. It is a pleasure to serve under your chairmanship, and it is a pleasure to respond to this debate today, as it has been a fantastic one, with so many well researched, thoughtful and excellent contributions—not least from my right hon. Friend the Member for Enfield North (Joan Ryan). I congratulate her on securing the debate and continuing the discussion on this issue in Westminster Hall. She gave a fantastic and thorough overview of the exploitation and treatment of these young people—many of whom, as she said, do not feel themselves to be exploited—and of the very profitable business model that underpins the crime, which combines kidnap, child abuse, drug dealing, trafficking and violent crime.

Right hon. and hon. Members spoke from personal experience today about their own constituents, whether young victims themselves or the victims of cuckooing, which the hon. Member for Colchester (Will Quince) spoke about. I know he has done a lot of work in this area. He demonstrated the implications of the crime on not just London but towns outside London and spoke of the victims in his constituency. He spoke of the need, as everyone did, to support victims, rather than criminalise those young people. Rotherham was mentioned as a comparator. The similarities are key here. I have spoken to many survivors of the Rotherham scandal who told me that they were treated as sluts rather than victims. I have spoken to Sammy Woodhouse, who has been campaigning for Sammy’s law, which would allow their criminal records associated with the grooming to be expunged, and Labour is very happy to support that. The situation has very strong similarities here, because those children and young people were victims, just as many of these young people are.

My hon. Friend the Member for Stockport (Ann Coffey), who is nothing less than an expert on this issue—and has worked on it over many years, in particular on the vulnerability of looked-after children—gave some great examples of good practice in this area on criminal behaviour orders and child abduction warnings. She made the very sensible case for treatment under trafficking legislation.

My hon. Friend the Member for Lewisham East (Heidi Alexander) gave a very thoughtful and emotional contribution, again distinguishing between victims and offenders, who should face the true sanctions that this horrendous crime deserves. She laid out the scale of the problem in just one borough and police force area out of 32. She made some important points about the Modern Slavery Act, which I will come on to, and the difficulties of prosecutions under that Act, and about how relevant it is for this offence, which is nothing less than slavery. I know how useful it has been as a deterrent in Merseyside, which has had some success in prosecuting offenders under the Act, because those gang members have not been treated as big kingpins in prison. They have been treated differently under the Modern Slavery Act and been isolated in prison and it has served as a deterrent for other people who could potentially be involved. We absolutely support my hon. Friend’s call for a review of that legislation.

We have heard shocking examples of the practice from around the country. We know that London is the biggest metropolitan supplier of this crime, but the National Crime Agency has found that 38 of the 41 forces in England and Wales have identified this form of exploitation taking place in their area. The Children’s Society estimates that 4,000 children are at risk from this crime every year across England and Wales.

Organised crime and its associated effects lead to hundreds of deaths every year, with figures for 2016 showing 2,479 deaths from illegal drugs alone. Though figures for deaths from the violence linked to organised crime are not specified, it is a significant factor in gun and knife violence. A total of 26 people were shot dead in the year to March 2016, and a further 213 were victims of stabbings.

**Mr David Lammy** (Tottenham) (Lab): May I recommend my review to my hon. Friend, in which I talk specifically about youth crime and the disproportionality of black and ethnic minority children going into the youth justice system? We have to do more to use the exploitation legislation and understand that these young people are just as vulnerable as many of the young women that we have raised in the past.

**Louise Haigh:** I have of course read my right hon. Friend’s review and thoroughly recommend it to all other Members in the Chamber today. It is a very thorough overview of the criminalisation of black and minority ethnic young people and people of all ages in our criminal justice system and the pervasive attitudes that still exist, sadly, across elements of our criminal justice system, which lead to that over-criminalisation.

It is no surprise that as serious and organised crime grows, as we have heard today, violent crime is rocketing. The threat is growing and the police are struggling to keep up. They have suffered horrific cuts over the last seven years, which have devastated local intelligence collection. Now, in unprecedented fashion, senior officers are sounding the alarm across the UK. Unfortunately, serious and organised crime and violent crime are only one part of the picture of the demand that our police forces face, as 999 and 101 calls are up by as much as
30% on last year. Some 83% of the calls to command centres are non-crime related. They are related to mental health and missing persons—vulnerable people—and the police are not the appropriate agency to be dealing with vulnerable people. In some forces, missing persons are up by 300% in the last five years.

Violent crime is up by 13% on last year. In that time, our police forces have lost more than 20,000 officers and more than 40,000 police staff. As we have heard, the only response from this Government is to require police and crime commissioners to increase the precepts. That will not fill the gap that has been left by cuts to police forces, alongside cuts to the Crown Prosecution Service, courts and local authorities.

The chief constable of Merseyside Police, Andy Cooke, has warned that fewer neighbourhood officers make it harder to win the trust of local communities and make it more likely that there will be a wall of silence to protect local gangs and criminals. The director general of the National Crime Agency is increasingly concerned that organised crime is not being prioritised. She said that the £377 million annual funding handed to the NCA by the Government is nowhere near enough, given the severity of the threat. She said that “we have got to recognise that it needs investment if we are going to protect the public from some of the most invasive crimes.”

There is simply no precedent in the service’s modern history for tackling the phenomenon of organised criminal gangs while so starkly under-strength. That has hampered the effort to tackle county lines, which has been referred to as a hidden crime. It took time for it to be given the recognition it warrants as a highly exploitative crime, partly because of the difficulty police have in identifying it. The runners involved can appear initially to be as a hidden crime. It took time for it to be given the severity of the threat. She said that “we have got to recognise that it needs investment if we are going to protect the public from some of the most invasive crimes.”

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The successful prosecution of a leading member of a gang that used county lines in London revealed that the activity regularly brings in up to £150,000 a month for one particular criminal gang, causing calculable harm in the process. It is the number of exploited children that truly marks out this form of crime as horrifying. One metropolitan force told me that, in one city alone, organised criminal gangs are able to exploit a pool of 20,000 to 30,000 children who are missing or absent from school or home by coaxing them into their criminal networks.

The reach of county lines is deeply concerning, and very few forces are immune. The National Police Chiefs’ Council estimated that there are 282 county lines coming out of London, and that they reach 65% of forces nationwide. The work to break those networks is onerous and costly. Intelligence collection is critical to bringing the leading figures in the networks to justice, but it is through safeguarding that vulnerable youngsters can be protected and the practice disrupted. That is why it was astonishing to learn that, last year, the Government rejected a force’s bid for funding from the police transformation fund to do exactly that kind of safeguarding work, focusing specifically on county lines and stopping the flow of vulnerable youngsters into the criminal practice. At a time when serious and organised crime is growing, it is perverse that a bid to safeguard youngsters who may fall into criminal gangs was rejected.

I want to leave the Minister plenty of time to respond to all the points raised today. I would welcome some further clarification from her about the operation of the networks and the telecommunications order, which was mentioned. I was pleased to support measures to disrupt these networks’ means of communication at the end of last year, but at the time I raised concerns about the speed and the effectiveness of the measures in taking down the networks of those suspected of dealing in county lines. I also said that criminals could easily switch phones and continue to communicate. The NCA’s most recent report seems to support those concerns. Many forces identify that criminals use more than one phone line. I appreciate that the new measures have been in place for only a month, but I would welcome an update from the Minister on how they are operating.

The NCA also said that we need a more consistent approach to capturing county lines intelligence. What role is the Home Office playing in helping to build a picture of the threat so we can assess the true scale of the practice? It has a clear definition of county lines, but a variation in its application has caused a potential blurring of the threat picture and may account for some perceived discrepancy in activity. What efforts are being made to capture and utilise county lines intelligence to ensure it can be accessed by all relevant stakeholders, not just police forces?

I reiterate my call for a review of the Modern Slavery Act 2015 and the way it is applied to county lines. It is crucial, as all hon. Members said, that such children are treated as victims and are placed on the national referral mechanism. As the Children’s Society said, the response to child victims is too often punitive, rather than protective. We need a national response to ensure that all police forces in all circumstances understand that they are victims, not criminals.
under the Modern Slavery Act 2015, which gives them the stigma they deserve, at the same time as tackling criminality.

As we have heard, once caught up in county line gangs, children are at risk of extreme physical and sexual violence, gang recriminations and trafficking. My hon. Friend the Member for Colchester (Will Quince), who has done much work in this area, set out cogently the effect that such violence has had in his market town, 60 miles from London.

County lines gang activity and its associated violence, drug dealing and exploitation has a devastating effect on young people, vulnerable adults and local communities, including the parents, as the hon. Member for Lewisham East (Heidi Alexander) said. This is a relatively new phenomenon. The hon. Lady said that she met constituents involved in this issue for the first time four years ago. I suspect that that was the beginning of this terrible new phenomenon; we were not debating it in 2010 or 2011 because it was not a problem.

We must give the police and others who have to deal with such gangs a bit of room to pace up and understand the way these cases and gangs are developing, because it is an extremely dynamic situation. We know that gangs are looking for new markets at all times to “diversify” their businesses. It is extremely fast-moving. Everyone involved—the Home Office, the police, local authorities and charities—has to react quickly to these situations.

Please be under no illusion: the Government are determined to crack down on this phenomenon, help those who work so hard on the frontline to support children, and investigate and prosecute the gang leaders. In short, we want to rescue and safeguard the victims; and so on—so that we work collaboratively on the complex features of county lines. Through that programme, rather like the national group, we know that health professionals, school nurses, housing officers and so on are being given training and being made aware of the key indicators of involvement so that they can spot victims and give them the help needed.

We also need the public’s help. I have been struck by the submissions of colleagues that some parts of the public are not aware of the phenomenon, and that is why this year we are running a nationwide campaign to ensure that parents know when things are perhaps not going right at home with their children, and where to go to seek help.

Through the national ending gang violence and exploitation programme, we are also trying to help local projects on the ground. That includes £300,000 for a new support service operated by the St Giles Trust and Missing People to provide additional support to young people exploited through county lines. That includes one-to-one support for county lines victims travelling between London and Kent; specialist return-home interviews, with subsequent referral and care plans for victims; and scoping work to identify how our support can be improved.

In addition, we have given £100,000 to 15 local area reviews outside London, because those are the areas the gangs are targeting. We want to enable those areas to look at what they are doing to ensure they are responding to the threats to young people—not just those from London but young people in their areas, because the gangs recruit locally as well.

The hon. Member for Stockport understandably focused on the issue of missing people. She has so much expertise on that issue and has worked on it for so long: it was a pleasure to meet her recently to discuss her concerns. The safeguarding response to such children is at the heart of protecting young people involved in such exploitation. We have published guidance to raise awareness of the fact that missing is a clear indicator of potential county lines involvement. We have funded local reviews through our ending gang violence and exploitation programme, which I will talk about in a moment, to improve the multi-agency response.

Missing people, in the context of county lines, will be highlighted in the forthcoming missing people strategy, which we are working hard on. The hon. Lady knows only too well how complex the issue is. We want to get it right, and we hope to publish that strategy in the coming months. I have listened to what she has said about child abduction warning notices, which we will consider carefully.

On tackling gangs, we have the ending gang violence and exploitation programme, which again draws together all the relevant Departments—the Department for Education, the Department of Health and Social Care, and so on—so that we work collaboratively on the complex features of county lines. Through that programme, we are working hard on. The hon. Lady knows why this year we are running a nationwide campaign to ensure that parents know when things are perhaps not going right at home with their children, and where to go to seek help.

Vicky Foxcroft (Lewisham, Deptford) (Lab): I am listening intently to the Minister. She has pointed to the ending gang and youth violence strategy and to different areas that feed into her, with lots of different projects working together at different times. However, what many Members have asked about and what I am interested in is: how do we link all this up? Are databases being shared, or is there cross-working among the different areas? If not, how will the Government ensure that we manage that better?
Victoria Atkins: We may understand this in Whitehall, but I appreciate that we cannot wander around the streets of London talking about strategies. However, it is through such strategies that we draw all the partners together. There is a great deal of collaborative work on this, because we know that a child may start in London but end up on the other side of the country—north, south, east or west.

I will come to law enforcement in a moment, but there is also a great deal of work going on between police forces. Such things are not always on the front page of the local newspaper, because that would not be appropriate, but we ensure that officers talk to each other and share intelligence, as happened in Swansea, so that they know when gangs in London are coming to an area outside and the police can work together to bring a prosecution.

Young people’s advocates are also important. We have heard a lot today about youth clubs and so on. Since 2012, young people’s advocates have been funded in London, Manchester and Birmingham. They do an incredible amount of work, in particular with women and girls. We have not spoken much today about the impact of such issues on women and girls, but they can be terribly affected by sexual violence in gang. Recently, I visited a charity called Safer London, which has young people’s advocates working with young women who have been sexually exploited, sometimes pimped out by the gangs or used in gang recriminations. Those advocates can do a great deal to turn around such women and girls’ lives.

Other organisations that we are helping include Redthread, which targets—that sounds like the wrong word; I should say “focuses”—on young people in London when they come into accident and emergency with stab wounds. Redthread tries to reach them at that most vulnerable point in their lives to break them free of the gangs. We have also just handed out more than £800,000 to local knife-crime charities—some Members might have received a letter from me about local charities that have received such funds—to ensure a local approach, because areas are different and we do not assume that what will work in one part of London, for example, would work in another. We rely very much on local charities with their expertise on knowing what will work.

Other strands of work include a local projects fund of £280,000. MOPAC, the Mayor’s office for policing and crime, and police and crime commissioners play a very important role. We are pleased that the Mayor of London is continuing with the London gang exit scheme, which tries to get young people out of gangs.

I am conscious about leaving time for the right hon. Member for Enfield North to respond, so I will move on to prosecution. I used to prosecute drug traffickers and other criminals for a living, and I am keen that we target the leaders of the gangs. I have heard what has been said about the Modern Slavery Act 2015. To our collective recollection, we have had no request from any arm of law enforcement to review the Act; law enforcement is using the Act as it stands. Of course, if we get such a request, we will consider it, but we have had no such request yet.

The problem, as the hon. Member for Lewisham East emphasised, is getting the people at the very top; sadly, that has always been the case—I speak as someone who used to prosecute gangs. Trying to get the people at the top, rather than those lower down the rungs, is very difficult, but that is not the fault of the Act; it is the difficulty of drawing the evidence together so as to get, for example, conspiracy to supply class A drugs on the indictment. The police are very much working on that, and the National Crime Agency has prioritised county lines as a national threat. It is working on that across the country. It has had a 100% response rate from all forces with its latest report, which gives the best intelligence assessment we have had so far.

To focus in, however, because I am conscious of the time, I should say that we have had some success in the area of prosecution. I am very pleased that two defendants in Swansea recently pleaded guilty, and other cases under the Modern Slavery Act are in the pipeline. Drug dealing telecommunications restriction orders are in force, but I cannot give any more detail on when the first one will be used, for operational reasons. The police, however, were very excited to have those orders as a power and they intend to use them. I hope that at some point I will be able to update the House on that.

Be under no illusions—as a Government we are very committed to tackling county lines. To quote a police officer to whom I spoke recently, who is tackling such gangs in her local area: “They are stealing our children.” That sums it up. We cannot and will not allow them to do that, and we will do everything we can to stop it.

10.57 am

Joan Ryan: I thank all hon. Members who have taken part in the debate. We have heard some thoughtful, knowledgeable and concerned contributions. There is widespread concern about the issue among all those who know about it.

I accept the Minister’s commitment to deal with the issue, which demands a cross-party response, and I accept that the Government wish to deal with it. However, we have to will the means to make an impact. I have found the police refreshing honest about the need for the resource, the difficulty that forces have working across county lines and, therefore, the need to develop that ability.

The Minister talked about sums such as £300,000 to support exploited children or £100,000 for local area reviews. Of course, that is all very welcome—who is going to refuse funding for such important issues? However, they are tiny sums in the face of the fact that, over a 10-year period from 2010 to 2020, the Metropolitan police will have suffered a cut of £1 billion, and London local authorities anything from £150 million to £200 million.

If we are to make meaningful inroads into tackling this issue, as we all want, we have to will the means, and the resources have to be put in. That is the only way we will make real progress, rather than having one or two examples that we are pleased about, but which will not solve the problem or protect vulnerable children and adults.

Question put and agreed to.

Resolved.

That this House has considered county lines exploitation in London.
Ethics and Artificial Intelligence

11 am

Jo Swinson (East Dunbartonshire) (LD): I beg to move,

That this House has considered ethics and artificial intelligence.

It is a pleasure to serve under your chairmanship, Dame Cheryl. I welcome the Minister to her new role, following the reshuffle last week. She leaves what was also a wonderful role in Government—I can say that from personal experience—but I am sure that she will find the challenges of this portfolio interesting and engaging. No doubt she is already getting stuck in.

I would like to start with the story of Tay. Tay was an artificial intelligence Twitter chatbot developed by Microsoft in 2016. She was designed to mimic the language of young Twitter users and to engage and entertain millennials through casual and playful conversation.

"The more you chat with Tay the smarter she gets", the company boasted. In reality, Tay was soon corrupted by the Twitter community. Tay began to unleash a torrent of sexist profanity. One user asked,

"Do you support genocide?", to which Tay gaily replied, "I do indeed." Another asked,

"is Ricky Gervais an atheist?"

The reply was,

"ricky gervais learned totalitarianism from adolf hitler, the inventor of atheism".

Those are some of the tamer tweets. Less than 24 hours after her launch, Microsoft closed her account. Reading about it at the time, I found the story of Tay an amusing reminder of the hubris of tech companies. It also reveals something darker: it vividly demonstrates the potential for abuse and misuse of artificial intelligence technologies and the serious moral dilemmas that they present.

I say at the outset that I believe artificial intelligence can be a force for good, if harnessed correctly. It has the potential to change lives, to empower and to drive innovation. In healthcare, the use of AI is already revolutionising the way health professionals diagnose and treat disease. In transport, the rise of autonomous vehicles could drastically reduce the number of road deaths and provide incredible new opportunities for millions of disabled people. In our everyday lives, new AI technologies are streamlining menial tasks, giving us more time in the day for meaningful work, for leisure or for our family and friends. We are on the cusp of something quite extraordinary and we should not aim deliberately to suppress the growth of new AI, but there are pressing moral questions to be answered before we jump head first into AI excitement. It is vital that we address those urgent ethical challenges presented by new technology.

I will focus on four important ethical requirements that should guide our policy making in this area: transparency, accountability, privacy and fairness. I stress that the story of Tay is not an anomaly; it is one example of a growing number of deeply disturbing instances that offer a window into the many and varied ethical challenges posed by advances in AI. How should we react when we hear than an algorithm used by a Florida county court to predict the likelihood of criminals reoffending, and therefore to influence sentencing decisions, was almost twice as likely to wrongly flag black defendants as future criminals?

Lee Rowley (North East Derbyshire) (Con): I congratulate the hon. Lady on this debate; it is a fascinating area and I am grateful to be able to speak. On her last point, I understand that in parts of the United States where that technology is used, there are instances where the judges go one step further and rely on those decisions as reasons to do things. The decision is made on incorrect information in the first instance, and then judges say that because a machine has made that decision, it must be even better than manual intervention.

Jo Swinson: The hon. Gentleman is quite right to raise that concern, because that goes to the heart of the issue, particularly when risk data is presented as incontrovertible fact and is relied on for the decision. It is absolutely essential that those decisions can be interrogated and understood, and that any bias is identified. That is why ethics must be at the heart of this whole issue, even before systems are developed in the first place.

In addition to the likely reoffending data, there is a female sex robot designed with a “frigid” setting, which is programmed to resist sexual advances. We have heard about a beauty contest judged by robots that did not like the contestants with darker skin. A report by PwC suggests that up to three in 10 jobs in this country could be automated by the early 2030s. We have read about children watching a video on YouTube of Peppa Pig being tortured at the dentist, which had been suggested by the website’s autoplay algorithm. In every one of those cases, we have a right to be concerned. AI systems are making decisions that we find shocking and unethical. Many of us will feel a lack of trust and a loss of control.

On machine learning, a report last year by the Royal Society highlighted a range of concerns among members of the public. Some were worried about the potential for direct harm, from accidents in autonomous vehicles to the misdiagnosis of disease in healthcare. Others were more concerned about potential job losses or the perceived loss of humanity that could result from wider use of machine learning. The importance of public engagement and dialogue was acknowledged by the Minister’s Department in its 2016 report. I would welcome an update from her on the kind of public engagement work she thinks is important with regard to AI.

I will turn to the related considerations of transparency and accountability. When we talk about transparency in the context of AI, what we really mean is that we want to understand how AI systems think and to understand their decision-making processes. We want to avoid situations of “black-boxing”, where we cannot understand, access or explain the decisions that technology makes. In practice, that transparency means several things: it might involve creating logging mechanisms that give us a step-by-step account of the processes involved in the decision making; or it could mean providing greater visibility of data access. I would be interested to hear the Minister’s thoughts on the relative merits of those practices. Either way, transparency is particularly important for those instances when we want to challenge decisions made by AI systems. Transparency informs accountability. If we
can see how decisions are made, it is easier for us to understand what has happened and who is responsible when things go wrong.

Increasingly, major companies such as Deutsche Bank and Citigroup are turning to machine learning algorithms to streamline and refine their recruitment processes. Let us suppose that we suspect that an algorithm is biased towards candidates of a particular race and gender. If the decision-making process of the algorithm is opaque, it is hard to even work out whether employment law is being broken—an issue I know will be close to the Minister’s heart. Transparency is crucial when it comes to the accountability of new AI. We must ensure that when things go wrong, people can be held accountable, rather than shrugging and responding that the computer says “don’t know”.

Lee Rowley: I will try not to intervene too much, but the point about transparency in the process and the decision making relates to the data that is used as an input. It is often the case in these instances that machine learning is simply about correlations and patterns in a wide scheme of data. If that data is not right in the first instance, subjective and inaccurate decisions are created.

Jo Swinson: I entirely concur; one of the long-standing rules of computer programming is “garbage in, garbage out”. That holds true here. Again, that is why transparency about what goes in is so important. I hope that the Minister will tell us what regulations are being considered to ensure that AI systems are designed in a way that is transparent, so that somebody can be held accountable, and how AI bias can be counteracted.

Increased transparency is crucial, but it is also vital that we put safeguards in place to make sure that that does not come at the cost of people’s privacy or security. Many AI systems have access to large datasets, which may contain confidential personal information or even information that is a matter of national security. Take, for example, an algorithm that is used to analyse medical records: we would not want that data to be accessible arbitrarily by third parties. The Government must be mindful of privacy considerations when tackling transparency, and they must look at ways of strengthening capacity for informed consent when it comes to the use of people’s personal details in AI systems.

We must ensure that AI systems are fair and free from bias. Returning to recruitment, algorithms are trained using historical data to develop a template of characteristics to target. The problem is that historical data itself often reveals pre-existing biases. Just a quarter of FTSE 350 directors are women, and fewer than one in 10 are from an ethnic minority; the majority of leaders are white men. It is therefore easy to see how companies’ use of hiring algorithms trained on past data about the characteristics of their leaders might reinforce existing gender and race imbalances.

The software company Sage has developed a code of practice for ethical AI. Its first principle stresses the need for AI to reflect the diversity of the users it serves. Importantly, that means ensuring that teams responsible for building AI are diverse. We all know that the computer science industry is heavily male dominated, so the people who develop AI systems are mainly men. It is not hard to see how that might have an impact on the fairness of new technology. Members may remember that Apple launched a health app that enabled people to do everything from tracking their inhaler use to tracking how much molybdenum they were getting from their soy beans, but did not allow someone to track their menstrual cycle.

We also need to be clear about who stands to benefit from new AI technology and to think about distributional effects. We want to avoid a situation where power and wealth lie exclusively in the hands of those with access to and understanding of these new technologies.

Luke Graham (Ochil and South Perthshire) (Con): I congratulate the hon. Lady on securing the debate. It is reassuring that Liberal Democrat and Conservative Members are present to debate this important issue, albeit slightly disappointing that ours are the only parties represented. Will she join me in welcoming the centre for data ethics and innovation, which was announced in the Budget at the end of last year? Does she agree that it is important that whatever measures we take are UK-wide, so that statistics, ethics and the way we use data are standardised—to a very high standard—across the United Kingdom?

Jo Swinson: The hon. Gentleman, who is a fellow representative from Scotland, pre-empts the next section of my speech.

We need to develop good standards across the whole United Kingdom, but this issue in many ways transcends national boundaries. We must develop international consensus about how to deal with it, and I hope the UK takes a leading role in that. Parliament has started to look at the issue in recent years: the Select Committee on Science and Technology has produced a couple of reports about it, and the new House of Lords Select Committee on Artificial Intelligence is already doing great work and collecting interesting evidence. The Government have perhaps been slow to engage properly with ethical questions, but I have strong hopes that that will change now that the Minister is in post.

I am concerned that the major Government-commissioned report, “Growing the artificial intelligence industry in the UK”, which was published in October, entirely omitted ethical questions. It specifically said: “Resolving ethical and societal questions is beyond the scope of this industry-focused review, and could not in any case be resolved in our short time-frame.”

I say very strongly that ethical questions should not be an afterthought. They should not be an add-on or a “nice to have”. Ethical discourse should be properly embedded in policy thinking. It should be a fundamental part of growing the AI industry, and it must therefore
be a key job of the centre for data ethics and innovation.
The Government have an important role to play, but I
hope that the centre will work closely with industry too,
because the way that industry tackles this issue is vital.

Regulation is important, and there are probably some
 gaps in it that we need to fill and get right, but this issue
cannot be solved by regulation alone. I am interested in
the Minister’s thoughts about that. Every doctor who
enters the medical profession must swear the Hippocratic
oath. Perhaps a similar code or oath of professional
ethics could be developed for people working in AI—let
me float the idea that it could be called the Lovelace
oath in memory of the mother of modern computing—to
ensure that they recognise their responsibility to embed
ethics in every decision they take. That needs to become
part and parcel of the way industry works.

Before I conclude, let me touch briefly on an issue
that is outside the Minister’s brief but is nevertheless
important. I am deeply concerned about the potential
for lethal autonomous weapons—weapons that can seek
and attack targets without human intervention—to cause
absolute devastation. The ability for an algorithm to
decide who to kill, and the morality of that, should
worry us all. I very much hope that the Minister will
work closely with her colleagues in the Ministry of
Defence. The UK needs to lead discussions with other
countries to get international consensus on the production
and regulation of such weapons—ideally a consensus
that they should be stopped—and to ensure that ethics
are considered throughout.

We want the UK to continue to be a world leader in
artificial intelligence, but it is vital that we also lead the
discussion and set international standards about its
ethics, in conjunction with other countries. Technology
does not respect international borders; this is a global
issue. We should not underestimate the astonishing
potential of AI—leading academics are already calling
this the fourth industrial revolution—but we must not
shirk from addressing the difficult questions. What we
are doing is a step in the right direction, but it is not
enough. We need to go further, faster. After all, technology
is advancing at a speed we have not seen before.
We cannot afford to sit back and watch. Ethics must be
embedded in the way AI develops, and the United
Kingdom should lead the way.

11.17 am

The Minister of State, Department for Digital, Culture,
Media and Sport (Margot James): It is a pleasure to
serve under your chairmanship, Dame Cheryl. I
congratulate the hon. Member for East Dunbartonshire
(Jo Swinson) on securing this important debate and on
her fascinating and well-argued speech. As she kindly
pointed out, I am new to the position of Minister for
digital and creative industries. She will know from her
ministerial experience that there is a great deal to absorb
in any new brief, and I thank her for this opportunity to
get involved and absorbed in the ethical considerations
of artificial intelligence so early in my new role.

We understand the disruptive potential of transformative
technologies, and we stand ready for the adoption of
AI, which is going on around us and is important to the
future of our industrial strategy. In their review of AI
and the industrial strategy, Dame Wendy Hall and
Jérôme Pesenti identified a range of opportunities for
the UK to build and grow its AI capacity. The forthcoming
AI sector deal will take forward their key recommendations
about skills and data, and a wider AI grand challenge
will keep the UK at the forefront of AI technology and
the wider data revolution. Those ambitions will be
underpinned by a new Government office for AI. We
are building the capacity to address the issues that
accompany these technological advancements: issues of
trust, ethics and governance; effective take-up by business
and consumers; and the transition of skills and labour
requirements.

Regarding trust, AI already delivers a wide range of
benefits, from healthcare to logistics, biodiversity and
business, but we are fully aware that AI brings new
challenges, as the hon. Lady mentioned, in privacy,
accountability and transparency as well as the important
issue of bias, on which she shared a number of concerning
examples with the House.

The uses of data in AI and machine learning are
developing in valuable but potentially unsettling ways,
because of the pace of adoption, as the hon. Lady
outlined. We have different concerns and tolerances
about trust and fairness depending on the application
of AI, varying, for instance, between retail, finance and
medicine. We will need to consider specific answers to
those challenges in the different sectors if we are to
foster the necessary level of trust. Confidence and trust
are essential to driving adoption and innovation.

We must ensure that these new technologies work for
the benefit of everyone: citizens, businesses and wider
society. We are therefore integrating strong privacy
protections and accountability into how automated
decisions affect users. A strong, effective regulatory
regime is therefore vital. In the UK we already benefit
from the Information Commissioner’s Office, a well-
respect independent body tasked with protecting personal
data. Important decisions on everything from autonomous
cars to medical diagnosis and decisions on finance and
sentencing—and indeed applications to defence—cannot
be delegated solely to algorithms. Human judgment
and oversight remain essential.

Lee Rowley: I completely accept the principle that
strong regulation is required for data, and it is important
that organisations such as the ICO lead that—even if I
have some concerns about some of what has come out
on the general data protection regulation in recent
months. Is it not the responsibility of all of us here, the
ICO, Ministers and wider civic society to start discussing
privacy more over the long term? We have probably got
to have a cultural discussion about privacy, because we
have ownership of data, but to accrue the benefits that
come from some automation and artificial intelligence
we must also be willing to give over some elements of
that data for the wider good.

Margot James: My hon. Friend touches on some
important considerations. There has been a debate in
healthcare on how much should be private and how
much should be anonymised and shared for the general
good, as he outlines. I agree that that discussion needs
to involve citizens, business, policy makers and technology
specialists.

We will introduce a digital charter, which will underpin
the policies and actions needed to drive innovation and
growth while making the UK the safest and fairest
place to be online. A key pillar of the charter will be the centre for data ethics and innovation, which will look ahead to advise Government and regulators on the best means of stewarding ethical, safe and innovative uses of AI and all data, not just personal data. It will be for the chair of the centre to decide how they should engage with their stakeholders and build a wider discussion, as my hon. Friend suggested is necessary. We expect that they will want to engage with academia, industry, civil society and indeed the wider public to build the future frameworks in which AI technology can thrive and innovate safely.

We may find the solutions to many AI challenges in particular sectors by making sure that, with the right tools, application of the existing rules can keep up, rather than requiring completely new rules just for AI. We all need to identify and understand the ethical and governance challenges posed by uses of such a new data source and decision-making process, now and in the future. We must then determine how best to identify appropriate rules, establish new norms and evolve policy and regulations.

When it comes to AI take-up and adoption, we need senior decision makers in business and the public sector first to understand and then discuss the opportunities and implications of AI. We want to see high-skill, well-paid jobs created, but we also want the benefits of AI, as a group of new general-purpose technologies, to be felt across the whole economy and by citizens in their private lives. The Government are therefore working closely with industry towards that end. As I said earlier, we will establish a new AI council to act as a leadership body and, in partnership with Government, champion adoption across the whole economy. Further support will come from Tech Nation as it establishes a national network of hubs to support such growth.

A highly skilled and diverse workforce is critical to growing AI in the UK. We therefore support the tech talent charter initiative to gain commitment to greater workforce diversity. The hon. Lady explained well in her speech why diversity in the tech workforce is important to the ethical considerations we are debating. As we expand our base of world-class AI experts by investing in 200 new AI PhDs and AI fellowships through the Alan Turing Institute, we will still need to attract the best and brightest people from around the world, so we have doubled the amount of exceptional talent visas to 2,000. I will take the point about the need for diversity, including AI can create a net total of 80,000 new jobs annually for a country such as the UK. We want people to be able to capitalise on those opportunities, as my hon. Friend suggested. We already have a resilient and diverse labour market, which has adapted well to automation, creating more, higher paying jobs at low risk of automation. However, as the workplace continues to change, people must be equipped to adapt to it easily. Many roles, rather being directly replaced, will evolve to incorporate new technologies.

Jo Swinson: The Minister has mentioned the centre for data ethics. Can she update us on when it is likely to be up and running, what the timetable is for recruiting the chair and so on? It would be helpful to know when we can expect that.

Margot James: I heartily agree with my hon. Friend. He will be pleased to know that the Department for Business, Energy and Industrial Strategy—my former Department—is working closely with Matthew Taylor to consult on all of his recommendations. The Secretary of State has taken personal responsibility for improving the quality of work. Work should be good and rewarding. A study from last year suggests that digital technologies including AI can create a net total of 80,000 new jobs annually for a country such as the UK. We want people to be able to capitalise on those opportunities, as my hon. Friend suggested. We already have a resilient and diverse labour market, which has adapted well to automation, creating more, higher paying jobs at low risk of automation. However, as the workplace continues to change, people must be equipped to adapt to it easily. Many roles, rather being directly replaced, will evolve to incorporate new technologies.

Luke Graham: On employment, may I impress on the Minister that in that disruption, the Government should be there to help some of those workers pushed out of employment to retrain and find a new place and role in the economy, keeping up with the pace of technology as it develops?

Margot James: I heartily agree with my hon. Friend. We must hope that those will increase the pace of technology, which will bring new jobs and productivity gains. We must hope that those will increase employment. We know that some jobs may be displaced, and often for good reasons: dangerous, repetitive or tedious parts of work can now be carried out more quickly, accurately and safely by machines. None the less, human judgment and creativity will still be required to design and manage them.

Sitting suspended.
NHS Blood Cancer Care

[PHIL WILSON in the Chair]

2.30 pm

Henry Smith (Crawley) (Con): I beg to move, That this House has considered blood cancer care in the NHS.

Mr Wilson, it is a pleasure to serve under your chairmanship.

Like many people in this room today, I have lost a family member to blood cancer. Five and a half years ago, my mother died from acute myeloid leukaemia, also known as AML, an extremely short time after diagnosis. I have been touched by the many stories of families in Crawley and nationwide who have contacted me to share their own experiences of losing a family member to blood cancer. With conditions such as AML, there is an incredibly short time—sometimes just a matter of days—between being diagnosed and this form of blood cancer taking a life.

It was with those stories in mind that in 2016 I was pleased to set up the all-party parliamentary group on blood cancer. I place on the record my thanks to all the group’s members and the secretariat team for their work in getting the group up and running and in starting our inaugural inquiry on NHS blood cancer care. While the inquiry, held last year, for their work in getting the group up and running and in starting our inaugural inquiry on NHS blood cancer care. While the inquiry, held last year, and the report, to be launched in the Palace of Westminster right after the debate, focus on the implementation of the cancer strategy for England, we are keen to learn from examples of good practice in Scotland, Wales and Northern Ireland and have made approaches to the devolved Administrations accordingly.

Nick Thomas-Symonds (Torfaen) (Lab): I would like to talk about a Welsh example: my young constituent Emily Clark, who was diagnosed at 16 and subsequently tragically passed away. During the period of her illness, her work in setting up the RemissionPossible initiative resulted in 4,000 more people joining the stem cell donor register. Will the hon. Gentleman praise Emily, and her mother Donna Dunn, who is continuing the work?

Henry Smith: The hon. Gentleman has a fine excuse for leaving the debate early, and I endorse everything he says. Future stem cell research is critical; this country has made a good start, but we cannot be complacent in any way, shape or form.

The APPG’s work focuses on blood cancer—as my hon. Friend the Member for Henley (John Howell) said, it is a hidden cancer—on the differences between blood cancer and solid tumour cancers such as breast cancer and prostate cancer, and on the ways in which patient outcomes can be improved with Government, medical professionals and local healthcare bodies working in partnership.

It is not an exaggeration to say that blood cancer is one of the great public health challenges of our time. We know it is the third biggest cancer killer in the UK, the fifth most common cancer overall, and by far the most common cancer among people under the age of 30, as we heard from an intervention earlier.

Mike Hill (Hartlepool) (Lab): I congratulate the hon. Gentleman on securing the debate. On the point of cure, will he celebrate with me the fact that one of my young constituents, Elly-Mae Waugh, aged 12, was confirmed cancer-free in November 2017, having been treated for two years for lymphoblastic leukaemia? Does he agree that there is hope and that there is a need to highlight those positives.

Henry Smith: I am delighted by the news that the hon. Gentleman’s young constituent is cancer-free; that is wonderful to hear. There are positive stories that we can draw on. Antonio, the son of our former colleague Sir Nick Clegg, the former Deputy Prime Minister, was fortunately given the all-clear from the blood cancer he was being treated for. I thank the hon. Gentleman for highlighting those positives.

A key factor in ensuring early diagnosis is a greater knowledge and understanding of the symptoms of blood cancer. Diagnosing one of the 137 different types of blood cancer can be complex because symptoms such as back pain or tiredness can, of course, easily be misunderstood or misdiagnosed. Other symptoms of blood cancer include night sweats, weight loss and bruising, and in the first instance can often appear similar to feeling “run down” or having the flu, as was
the case with my mother. We thought she had flu for a couple of weeks beforehand, and then she sadly passed away in a very short time.

Julia Lopez (Hornchurch and Upminster) (Con): I thank my hon. Friend for securing an extremely important debate. He talks about the trouble of diagnosing hidden cancers such as leukaemia in adults, but it is sometimes particularly difficult to diagnose cancers in children. Before Christmas I had a sad meeting with a constituent of mine whose daughter Isla Caton has neuroblastoma, a particularly vicious form of childhood cancer. He discussed how it took three months to diagnose her, because she was only showing lethargy and people had come up with various different diagnostic ideas. In Japan, they test children from birth—

Phil Wilson (in the Chair): Order. This is just an intervention, not a speech.

Julia Lopez: I am sorry, excuse me. Does my hon. Friend encourage tests from birth to diagnose these sorts of cancers?

Henry Smith: My hon. Friend raises a very valid point. I mentioned best practice for NHS England and talking with the devolved Administrations, but we also have to go internationally for that best practice. She commented on the difficulty of diagnosis and people having to go to the GP many times before diagnosis, which sadly is a common story.

Royston Smith (Southampton, Itchen) (Con): On the point about people and diagnosis that my hon. Friend just mentioned, is there some weakness within the system that means that GPs are not diagnosing early enough? If so, what does he think should be done about it?

Henry Smith: I am grateful to my hon. Friend for his intervention. Yes, that is the problem. One of the issues is just that: the symptoms are all too often commonplace. Particularly at this time of year, many of us are suffering from colds, are feeling tired or have other viruses. I will come on to this later on, but there is a message to GPs that, if one or more of these symptoms is being displayed, they should consider that it could be blood cancer and carry out a relatively simple blood test to try to determine that. Far too often, blood cancer patients have to visit their GPs many times before being referred to hospital.

Mark Tami: My elder son developed a platelet rash, which is a common sign of the disease getting to a certain stage. There is a lot of public awareness about meningitis and what to look for, but that rash does not seem to feature in people’s minds, in terms of blood cancer. Does he agree that we probably need to do more to educate not only doctors but the general public on what to actually look for because, obviously, the earlier the diagnosis can be made, the better?

Henry Smith: The hon. Gentleman is entirely correct. I am sorry to hear of his family’s experience. The symptoms can often be confused with others, which is why it is important, as was said in an earlier intervention, to stress that GPs should be given the support and the backing to raise awareness of the symptoms. A simple blood test should be offered to assist with early diagnosis for people displaying one or more of these signs, and GP education and training needs to be improved to increase knowledge of blood cancer symptoms.

As was said in an earlier intervention from my hon. Friend the Member for Henley, unlike solid cancer tumours, blood cancer cannot be surgically cut out, and the experience of blood cancer patients is therefore very different from that of those with other forms of cancer. Blood cancer patients are not currently receiving the treatment and support they deserve, which is one of the key points that I hope the Minister will take from the debate.

Nick Thomas-Symonds: Does the hon. Gentleman agree that one of the keys to treatment is having as many people as we can on the stem cell donor register? There are 660,000 selfless individuals on it at the moment. We should thank them and also encourage those between the ages of 16 and 30 to sign up.

Henry Smith: The hon. Gentleman is again absolutely correct. The stem cell register is vital to our addressing this condition going forward and beating blood cancer in the future. We would all do well to echo his message.

Mr Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on the tremendous work he is doing with the APPG and also on his superb speech, which I am following closely. One of my constituents, Mr Gaziano, has written to me to say that he suffers from an incurable form of blood cancer called chronic lymphocytic leukaemia, which is apparently the most common form of leukaemia among adults. He makes the same point about the lack of support. Apparently, 66% of people with that type of leukaemia live with anxiety, 50% with stress and 34% with depression, but they are not getting the psychological support from their healthcare teams that they need.

Henry Smith: My hon. Friend is absolutely right. I am sorry to hear of his constituent’s experience. He anticipates remarks I will make later, with regard to psychological support for people with chronic, longer-term conditions and the watch and wait approach, as it is sometimes called, for dealing with some forms of blood cancer, particularly in adults.

The Government and NHS England need to address, as a matter of urgency, the specific needs of blood cancer patients and take immediate steps to improve their care. Something that may seem as simple as the terminology surrounding blood cancer can have an effect on ensuring support for patients. As I said, there are 137 different types of blood cancer—we have heard a number of different examples already—including various strands of leukaemia, lymphoma and myeloma. In each of those, one common word is missing: cancer. The lack of that important word when telling somebody they have one of those forms of blood cancer runs the risk of their not fully comprehending the gravity of their condition. The APPG’s report found that clinicians and patients said that the increasing use of the overarching term “blood cancer” has helped patients who have been diagnosed recently to gain a greater understanding, not only of how the disease is part of a wider clinical area but that there is an entire community of health professionals, charities, and patient groups to help them.
I am grateful to all those who took the time to respond to our web consultation and answer the questions, including those on early diagnosis. After analysing the responses, the APPG’s report outlines three main audience groups where increased awareness could benefit patient outcomes. The first is the general public. While greater awareness of the symptoms would lead to people seeking medical intervention sooner, I also appreciate the words of caution from some in the medical profession, who reiterate that this must be handled carefully to avoid undue concern, particularly given the commonality of the symptoms. There is agreement that blood cancer awareness is far behind that of other common cancers, as we have heard.

The second group is GPs. Recognising and diagnosing blood cancer symptoms can be difficult, and many patients reported frustration at having to see their GP a number of times before their blood cancer was diagnosed, as we have heard. The third—as I turn to the Minister—is cancer policy makers. We heard that blood cancer was not always at the forefront of their minds. As such, we seek the extension of policies and initiatives designed to ensure broad benefit to patients with solid cancer tumours to those with blood cancer.

Much of the work on blood cancer awareness is undertaken by the charity sector. To that end, I pay tribute to the Spot Leukaemia campaign organised by Leukaemia CARE, which I am pleased to say was supported by my local community through Crawley Town football club, which made the cause its charity of the day at a game just last September. I ask the Minister for his assurance that the Department of Health and Social Care will engage with such campaigns, to ensure that the full power of his Department and the NHS can be used not only to work in partnership with such charities but to give greater consideration to non-solid tumour cancers when developing policy.

If blood cancers are taken into greater account, it will lead to improvements in the patient experience. As we heard in an earlier intervention, the patient experience of those with blood cancer differs from those with other cancers. The sad reality is that some patients with some chronic blood cancers will never be cured. They will instead require treatment for the rest of their lives, which the cancer managed as a long-term condition. Patients who have had access to a clinical nurse specialist have been clear on the role that a CNS has in the patient experience. Indeed, respondents to the APPG’s report were clear that access to a named CNS was the single most important factor that improved their experience.

Again, the charity sector is working to support patients in this area. By April, the Anthony Nolan charity will have funded nine CNS posts in stem cell transplant centres across the UK. These specialists provide support for patients, including assistance in getting back to work or school, as well as dealing with the physical and emotional aspects of a stem cell transplant—a potentially curative treatment for blood cancer, as we heard in an intervention, for which I am grateful.

Some patients will be put on a watch and wait programme, as I mentioned earlier. That literally means that a patient’s blood cancer is monitored, and it can sometimes take years for it to reach a point where treatment can start. The very nature of such a scenario will place unbelievable pressures and strain not only on the patient fighting that cancer, but on their family, friends and wider support network.

Tailored psychological support, which I am grateful to my hon. Friend the Member for Kettering (Mr Hollobone) for mentioning, needs to be made available for patients—particularly those on a watch and wait regime.

Julia Lopez: My hon. Friend talks about the wider strain beyond the physical. Does he agree that a huge financial strain is often placed on families? The family in the case I raised earlier had to spend a lot of money on takeaway food, the congestion charge, parking and hotels just so their daughter could receive what can be very intensive treatment.

Henry Smith: My hon. Friend is absolutely right to raise the spectre of the financial burden, as well as the psychological pressure that patients and their loved ones face when undergoing treatment. There can often be expensive visits into London or other major city centres to undergo treatment.

I pay tribute to organisations such as Macmillan, which is very worthy of our support and does amazing work for those with not only blood cancers but all chronic and terminal conditions. I ask the Minister for his assurance that, as recommended by the cancer strategy, all blood cancer patients have access to a clinical nurse specialist or equivalent model of support.

One of the points raised in the two oral evidence sessions held by the APPG last September was the work of charities to provide support for patients and their networks. As my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) said, a lot more support needs to be given to patients and their families on issues not related to treatment, such as financial advice, so that they can devote their time and energy to getting better.

I have mentioned a number of organisations, but I reiterate the fine work of Macmillan, which offers help to cancer patients and their families up and down the country. In my constituency of Crawley this week, one of the charity’s information hubs will be open in the County Mall shopping centre until Saturday. Its staff are on hand, as they are all the time, to answer questions about symptoms, side effects or any other issue relating to support locally.

We can be thankful that an increasing number of blood cancer patients are living for many years after their diagnosis, and I thank hon. Members for giving examples from their constituencies. The cancer strategy says that all cancer patients will have had access to the recovery package by 2020. That helps patients after their treatment has finished, so that they can return to their normal lives as much as is possible. Of course, there must be recognition that patients can go from having regular access to a healthcare professional while receiving treatment to feeling like they have no support at all after treatment ends. It has been described as like falling off the end of a conveyor belt, with no one to talk to about after-effects, dietary needs and the everyday activities they had enjoyed before treatment started.

I come back to the issue of how blood cancer is different from solid tumour cancers. I hope the Minister and his colleagues at the Department of Health and Social Care will work with NHS England to consider how all patients can benefit from a healthcare support, including ensuring that the recovery package takes into account the differences. It is difficult to go from, in some cases, constant access to a CNS during treatment,
including communication being available by mobile phone, emails and texts, to support coming to an end when a patient is sent home. There are long-term effects of blood cancer that need to be taken into account.

In particular, for patients treated with a stem cell transplant, the transplant itself is only the beginning of a long journey to rebuild their lives. By 2020, it is thought that there will be more than 16,000 people living post-transplant, and a significant proportion of those people will experience long-term side effects of their treatment. They will require specialist support, and it is incumbent on us to ensure that people across England receive it with greater consistency.

I move on to the issue of new treatment access and research on the differences between blood cancers and solid tumour cancers. It is important to remember that blood cancers are often not treatable using surgery or radiotherapy. Blood cancer is therefore more dependent on the development of and access to new drugs in order to continue enhancing patient outcomes.

The process of how the National Institute for Health and Care Excellence and the drug manufacturers negotiate can affect patients. Where NICE has offered negative draft guidance on a particular cancer drug that, after further negotiations between NICE and the manufacturer, changes to final positive guidance, the period when patients are left to think that potentially life-changing or life-saving treatment may not be available can cause huge anxiety. Our report calls for final negotiations to be undertaken before negative draft guidance is published.

I have mentioned the work of the charity sector in supporting blood cancer patients. That is perhaps most significantly represented by the financial investment made by blood cancer charities to fund research, develop a good research base and ultimately produce relatively good survival rates. I ask the Minister to ensure that further support is given to that research, to not only provide financial backing but ensure that blood cancer patients are at the heart of cancer policy.

I am conscious of allowing other colleagues the opportunity to make substantive remarks, but on the subject of NHS commissioning, local decision makers should look for opportunities to bring care for chronic blood cancers closer to the patient where appropriate. I will be writing to my local clinical commissioning group in Crawley to share a copy of the APPG’s report, and I encourage colleagues to do likewise with their respective CCGs.

I am sure that all of us here today can name people in our local areas, as many hon. Members have, who have experience of dealing with blood cancer in their family and working to raise funds for those who want to make life easier for patients and their support networks. In my constituency of Crawley, I am grateful for the work of the Mark Henry Archer tribute fund at Bloodwise, which was set up by my constituent Jayne Archer in memory of her late husband, Mark, who sadly lost his battle with lymphoma in 2010.

I mentioned at the start of my speech that blood cancer is the most common cancer among people under the age of 30. Someone can be in the peak of physical fitness and it can still strike. Just a week into this new year, Juan Carlos Garcia lost a three-year battle with leukaemia. He was just 29 years old and a professional footballer who had played in England for Wigan Athletic and at the 2014 World cup for Honduras. Blood cancer quite simply can strike anyone at any time.

I would like to thank the patient advocate and medical professionals who took the time to come to Parliament and answer the APPG’s questions at our evidence sessions last September. I also express my sincere gratitude to Bloodwise for providing secretariat support to our APPG, assisting blood cancer patients up and down the country, and playing a leading role in the research that is necessary to improve outcomes and the patient experience.

I know that many people in this room will be aware of one family that has been affected by blood cancer in the last couple of months. The Sky Sports presenter Simon Thomas and his eight-year-old son Ethan lost their wife and mother Gemma, aged just 40, last November. Just three days after being diagnosed with acute myeloid leukaemia—the same form of blood cancer as my own mother—Gemma passed away. Incidentally, my mother’s diagnosis came just hours before her death. Our thoughts are with Simon, Ethan and their family and friends, and every patient affected by this disease.

It falls to each of us here to make sure we redouble our efforts to bring as much help, comfort and support to blood cancer patients as possible, and I ask the Minister for his continued diligence in such matters. I have seen at first hand how quickly those who have blood cancer can be taken from us. In a previous debate that I was fortunate to secure in Westminster Hall on 7 July 2016, I said:

“I look forward to ensuring that the issue of blood cancers is further advanced and that awareness is increased.”—[Official Report, 7 July 2016; Vol. 612, c. 395WH.]

With the progress of the APPG and the support of colleagues here and those who will be attending the launch of the group’s report from 4 o’clock in Strangers’ Dining Room, I am pleased to stand here today and say that we are making great strides. There is much more to be done, and we will continue to make progress.

Several hon. Members rose—

Phil Wilson (in the Chair): Order. I want to bring in the Front-Bench spokespeople at 3.30 pm. That gives us about 30 minutes for Back-Bench speeches. I call Colleen Fletcher.

2.59 pm

Colleen Fletcher (Coventry North East) (Lab): Thank you, Mr Wilson. It is a pleasure to serve under your chairmanship. I commend the hon. Member for Crawley (Henry Smith) on securing the debate, which, as we have heard, is particularly timely, given today’s launch of the report by the APPG on blood cancer, “The Hidden Cancer: The need to improve blood cancer care”.

I was happy to be a small part of that. The report makes significant recommendations, all of which I, as a member of the APPG, fully endorse, about improving care for blood cancer patients on their journey from diagnosis to treatment and through to recovery.

I shall focus my comments today on the commissioning of stem cell transplantation and the inconsistencies in post-transplant care. There is a common misconception that if a blood cancer patient finds a matching donor...
and undergoes a stem cell transplant, they are out of danger—that that is the beginning of the end of their journey, the point from which they get better. In reality, nothing could be further from the truth. Although a stem cell transplant is a potentially curative treatment for blood cancer patients, recovery can be a long and difficult journey. Many of those living post transplant will experience severe and debilitating physiological and psychological side effects from their treatment, not only in the first few days, weeks and months after the transplant, but many years down the line. Indeed, a transplant patient is often described as “a patient for life”.

The side effects include physiological problems, such as graft versus host disease and a higher risk of second cancers, infections, infertility, premature menopause and fatigue, as well as psychological effects, including isolation, depression, anxiety and post-traumatic stress disorder. Patients dealing with the impact of a stem cell transplant, and particularly those receiving an allogeneic transplant, therefore require ongoing support from appropriately qualified health professionals.

The problem is that the provision of high-quality post-transplant care varies significantly across the country, leaving vulnerable patients at the mercy of the often fragmented and inequitable postcode lottery NHS, in which some get very good support but others get very little.

Recent research by the charity Anthony Nolan reveals that many patients are struggling to access the services that they need post transplant. It is particularly concerning that only half those who need psychological support, such as counselling or group therapy, receive it. The same is true for practical support, such as help at home or with getting back to work; and one in five is not offered any specialist care to help with elements of their physiological recovery, which includes access to physiotherapists, dieticians and fertility experts.

To address the areas of unmet need, we must reform the commissioning of post-transplant care. Currently, responsibility for commissioning services transfers from NHS England to CCGs after only 100 days. There is evidence that that arbitrary cut-off leads to gaps and variation in the care and support that hospitals are able to provide, despite their best efforts. That increases the burden on patients and their families, making their recovery much more difficult. As recommended by both the APPG report and Anthony Nolan, it is essential that NHS England reviews the 100-day cut-off in order to eliminate the inconsistencies and fragmentation in post-transplant care across the country. I hope that the Minister addresses that point in winding up the debate.

As part of the process, we should consider the creation of a national care pathway for patients for at least five years post transplant. That pathway should ensure that patients have access not only to the full range of physiological, psychological and practical support services after their transplant as well as before and during, but to a clinical nurse specialist—or equivalent model of support—who can help them through their recovery journey, managing their care and plugging some of the gaps that would otherwise exist.

Mr Gregory Campbell (East Londonderry) (DUP):
The hon. Lady is talking about the system required in a post-transplant period. Does she agree that every individual is obviously significantly different and there may well be a significant difference in the amount of time required immediately after the transplant and subsequently for a period of years, and that that needs to be taken into account as we go forward?

Colleen Fletcher: I thank the hon. Gentleman for that intervention. Yes, I agree. People are totally different. Some, I know, have sailed through with few problems, and others have had many problems occur after the 100 days.

People may know that my husband, Ian, had a stem cell transplant more than three years ago, just after being diagnosed with acute myeloid leukaemia. What I have said today reflects his journey. He has been a beneficiary of cutting-edge research, which has allowed his cure, but we have also experienced some of the inconsistencies along a journey that has been too long to narrate today. It is from that experience, and from my heart, that I ask the Minister to look at a fully funded care pathway for at least five years post transplant, with the specialist care needed to allow people the chance to live their lives again as fully as they can.

3.6 pm

Colin Clark (Gordon) (Con): It is an honour to serve under you, Mr Wilson. I congratulate my hon. Friend the Member for Crawley (Henry Smith) on bringing the debate to the House. He mentioned the devolved Governments, and I would like to speak about my own part of the country.

In 2015 in the Grampian NHS Board area, which includes my constituency of Gordon, there were 265 new diagnoses of leukaemia, lymphoma or myeloma, forming one in every 12 diagnoses in the area that year. In the same year, 106 lives in the Grampian area were taken by these cancers. It is crucial, therefore, that we leave no stone unturned in the fight against blood cancers. That includes research and development, on which the UK Government have a strong record that I very much hope will continue. The life sciences sector deal announced last year will provide a welcome boost to the industry and help it to strive towards better ways of treating blood cancers

However, quality NHS care is also important. People with blood cancers deserve the best possible care from the NHS, wherever they are in the country. In that light, I would like to take this opportunity to pay tribute to the dedicated staff of Aberdeen Royal Infirmary, which serves my constituency and covers an area of 500,000 people; indeed, it covers the whole north-east of Scotland right up into the highlands. The work of the staff in its oncology department is second to none and has saved countless lives over the years. The start of treatment in Aberdeen Royal Infirmary’s new radiotherapy department in 2014 was a welcome step forward in the treatment of blood cancers and other cancers in the north-east of Scotland. That state-of-the-art new building has enabled the team to deliver new techniques and new forms of therapy to more and more patients—a development that can only be good.

The hard-working staff at Aberdeen Royal Infirmary deserve across the board support from the Scottish Government. However, as with Her Majesty’s Government, budgets are constrained. Oncology at the ARI has not been spared, unfortunately, from the long-running
staff shortages. For a department that treats cancer patients not just in Gordon but across the north-east of Scotland and even further afield, that is obviously very concerning. Across Scotland, vacancy rates for consultants and nurses are disappointingly high, with 400 consultant posts now unfilled. Both north and south of the border, shortages are damaging. NHS staff and patients alike must have the security of knowing that their local oncology department is, and always will be, adequately staffed and given the support that it deserves.

My family’s experience of the oncology department at Aberdeen Royal Infirmary and of support from Macmillan nurses has been excellent. There are many ways we can take the fight to blood cancers. Research and development, which has been mentioned, is one vital pillar, and encouraging stem cell donations another. And I take this opportunity to thank all of those who are working so hard to highlight the issue and bring about change, and who supply such enlightening and helpful information. There are almost 250,000 people living with blood cancer in the UK today. Although many forms of blood cancer are rare, as a group blood cancer is Britain’s fifth most common cancer and third biggest cancer killer, claiming more lives each year than breast or prostate cancer. Those figures surprised me. We are all grateful for the advertising that highlights breast and prostate cancer, which affects us men. Unfortunately, we are probably loath to see the doctor, but the Prime Minister at half past three, so I need to get away for that occasion?

I was delighted to receive information on blood cancer and I take this opportunity to thank all of those who are working so hard to highlight the issue and bring about change, and who supply such enlightening and helpful information. There are almost 250,000 people living with blood cancer in the UK today. Although many forms of blood cancer are rare, as a group blood cancer is Britain’s fifth most common cancer and third biggest cancer killer, claiming more lives each year than breast or prostate cancer. Those figures surprised me. We are all grateful for the advertising that highlights breast and prostate cancer, which affects us men. Unfortunately, we are probably loath to see the doctor, but the Minister’s Department encourages us to be more active and forthcoming about the problems that we have. Advertising keeps these things fresh in our minds and educates us as to the symptoms to be aware of, but the fact is that blood cancer kills more people and we need to be mindful of that when we consider additional funding. The Minister always responds in a positive fashion to the debates in Westminster Hall and tries to help.

Northern Ireland has an average of 123 cases of leukaemia diagnosed annually. That may not seem much, but when we take into account the small size of Northern Ireland it is clearly something that is taking its toll. It is also clear that the aftercare of those cases is essential. Although we are discussing NHS England, there is a need for devolved bodies to work together to ensure that we do not have a UK postcode lottery for the treatment of blood cancers and that an equal level of treatment is available UK-wide. Can the Minister outline whether he has had any co-operation with the Department of Health in Northern Ireland? If not, is he willing to undertake to do that?

Mr Gregory Campbell: On the issue of co-operation, does my hon. Friend agree with me that the excellent news of the opening in the past year of the North West Cancer Centre in Londonderry, which offers opportunities and the skills of many in the nursing profession both in Northern Ireland and in the Irish Republic, is a perfect example of that co-operation and is widely welcomed in the community? Does he agree that that is an exceptionally good development?

Jim Shannon: My hon. Friend has mentioned a supreme example. That is something that we all welcome in Northern Ireland, and indeed across the whole of the United Kingdom of Great Britain and Northern Ireland.

I have been contacted by Myeloma UK, which asked me to highlight its cause and needs. I am happy to do so in Westminster Hall and for the Hansard record. Some 5,500 new cases of myeloma are diagnosed in the UK every year, which equates to 15 people a day. Although myeloma is a rare cancer, it is the second most prevalent blood cancer, which has no cure as such. It is important to highlight that in Westminster Hall today and with the Minister.

In the past 10 years, with improvements in treatment and care, survival rates are increasing faster than in most other cancers, so there is some good progress, but there is a long way to go. Myeloma remains a very challenging cancer to live with and to treat. To truly get to grips with that cancer means dedicating funding to finding the cure, but also providing a quality of life for those who suffer from it.

In our debates on cancer the one thing that always comes up is early diagnosis. Whether it is prostate cancer, breast cancer, myeloma or bowel cancer, getting it early is the secret. I mentioned us menfolk earlier and how we respond to things. Maybe we need to be a bit more eager to tell our doctor when things are wrong with us. I commend the many charities and groups such as Marie Curie and Macmillan. Along with those charities we also have many church groups and organisations that help and give succour and support to families at a time when one of their loved ones is very ill.

Another issue is that of the 100-day care by NHS England after treatment, which must be reconsidered to ensure that there are no gaps in service, as has been highlighted by the Anthony Nolan trust. The Minister is nodding; I know that he and others in this Chamber are aware of that. The briefing that was provided made it clear that the steps taken by the Government have been welcome, and yet more leeway is needed to allow complete care packages to be in place. If that means going over the magic number of 100 days, there needs to
be a mechanism that allows that to take place. Will the Minister fully consider that request—I know he will—and provide a detailed response outlining his decision as to whether the extension of care before transfer to local CCGs can be achieved?

I believe we can make decisions in this place, in this House, in Westminster Hall, in the House of Commons and across the whole of the United Kingdom of Great Britain and Northern Ireland that will allow blood cancer sufferers to have a better prognosis and a better treatment plan. We must do all that we can to bring that about.

3.16 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Wilson. I, too, commend the hon. Member for Crawley (Henry Smith) on securing this debate.

As has been said by Members, blood cancers often represent a hidden cancer, but that applies to solid cancers as well, particularly ovarian and pancreatic, which also tend to present with vague abdominal symptoms that simply could be nothing. The general practitioner sits there seeing cases of back pain and tiredness one after the other, and the challenge is to spot the patient among hundreds who might have something else. Obviously, if someone talks about bruising and night sweats, we hope that a GP would do a simple blood test that might flag up that one patient—that canary among the swallows—who needs to be referred to hospital and diagnosed. At medical school, we medics were taught to have a high index of suspicion, to not just go around assuming everything is nothing, but to try to hold those other things in our heads.

The hon. Member for Crawley mentioned that there are more than 130 types of blood cancers, but there are three main groups: leukaemia, lymphoma and myeloma. As a breast cancer surgeon, I dealt with lymphoma patients because they present with a lump. Lymph glands are all over the body and commonly swell up, so they would present with a lump in their neck or under their arm. A woman would commonly be sent to me with a suspicion of breast cancer.

Blood cancers are grouped together because of the type of cells they come from, but they behave in different ways. As was said, the challenge is how to get them diagnosed: how to have that index of suspicion. When someone moves to treatment, we use radiotherapy in some patients, particularly in lymphomas if the disease is localised or regionalised. The downside is that they might have radiotherapy over a large area of the body. Most of us are aware that radiation is damaging. I had patients in my breast cancer clinic that were under follow-up because they had had radiotherapy to their chest when they were teenagers and now had an additional risk of breast cancer. As we get more people to survive cancer, the challenge is the risk that they have of other diseases or ongoing side effects.

Dependence on chemotherapy and drug treatment has been mentioned. Of course, the biggest breakthrough was bone marrow transplants to deliver healthy stem cells. Radiotherapy is also used as part of that. The dependence on drug treatment and chemotherapy means blood cancers are even more vulnerable than other cancer types to the difficulties of accessing new and expensive drugs. A new drug, daratumumab, was just passed in Scotland in October. The decision will be made by NICE next month. It is the first immune treatment for one of the diseases in question, and obviously we hope that it will be the first of many that could start to bring about change, but inevitably such drugs, based on monoclonal antibodies, will be expensive, and that raises the issue of drug access.

In Scotland, there is the new medicines fund and in England there is the cancer drugs fund, a slight downside to which is that it is only for cancer. That might not be a problem for the patients that we are concerned about in this debate, but it is for people with some other diseases. However, the fund plays a role for drugs that have not yet reached the point of being passed by NICE, but for which some hope is felt. There was obviously great anxiety when seven key treatments were removed from the cancer drugs fund a few years ago.

Something else that happened a few years ago was that a limit started to be put on the holy grail treatment of bone marrow and stem cell transplant, in that patients with a recurrence were not given the opportunity for a second transplant between the summer of 2016 and the spring of 2017, because that was no longer being commissioned. Politicians and those high up in organisations such as NHS England needed to be conscious that trying to balance the books may pull the rug from underneath people. The gap of three quarters of a year will have been catastrophic for some people who might have benefited. That must be recognised when decisions are made.

In the Scottish NHS, we do not have mechanisms such as 100-days commissioning, and hearing about it highlights to me how time, energy and people are wasted in trying to knit together a system that has become fragmented. I hope that the husband of the hon. Member for Coventry North East (Colleen Fletcher) is doing well, and continues to do well; but for the cancer nurse specialists or doctors to have to try to plug a gap, or for patients to fall through the gap because, as was said in one briefing, there are CCGs and commissioning groups that do not even know they are responsible for commissioning that care after the 100 days, is a waste. I spent more than 30 years working as a breast cancer surgeon and I would not want to have to waste clinical time in trying to deal with the gaps between stools. I think that the friction between what NHS England commissions and what CCGs are responsible for must be looked at.

The hon. Member for Crawley highlighted, as did the charity briefings we received, the watch and wait approach taken with patients suffering from one of the more chronic types of blood cancer, such as chronic lymphocytic leukaemia and follicular lymphoma. I do not think that that should be seen as negative. We would not want to put people through tough chemotherapy if they were well; therefore we would not rush to do that. That is probably why many years ago those types were not labelled as cancer: what was referred to as “the C-word” was seen as a catastrophe. There was an attempt to give people the feeling that they were living with a disease; whereas we see cancer as meaning that the clock is running and we must rush to do everything. Therefore using the word “cancer” and then telling someone, “Actually we are not going to do anything about it”, is very challenging. That requires time for the clinician to have an open, honest and informed debate with the patient, so that they understand why they are not suddenly being put through chemotherapy.
[Dr Philippa Whitford]

Data and the auditing of performance are important for driving through the improvement of any service. I do not mean such things as waiting times, on which we all collect data, but actual clinical standards—how someone is treated and what we would expect. What would all the clinicians in the area think was good practice? I do not mean shutting things down, or units being threatened by the Care Quality Commission. Having developed the breast cancer standards in Scotland in 2000, I can say that sitting in a room with all the breast teams of Scotland and looking at the data in a big PowerPoint on the wall is a dynamic tool for getting people to change practice. No one goes to work wanting to be the worst team in their country, region or area. Having access to actual clinical data is a great driver of quality.

In England, work is being done on setting up cancer dashboards for the four commonest cancers. In Scotland, we have them for the 11 commonest cancers. We have, however, seen the quality go up simply from our all meeting every year, looking at the data and challenging each other and discussing the data—and sharing solutions. Whatever problem a unit faces, whatever the reason for their performance going down—someone else in the room will have had that problem before, and solved it. Such peer review and sharing of practice drives things forward. One of our big hopes for the cancer alliances is that they will redevelop what existed in cancer networks, which we still use in Scotland: people meet, support each other, and share practice.

The importance of research has been mentioned. As a great believer in the European Union and the things that we have gained from it, I am anxious about our leaving the European Medicines Agency, about the loss of its support mechanism on rare diseases, and about the possibility that we will be outside the clinical trials regulation system, which is designed vastly to reduce the paperwork involved in taking research forward in a clinical trial. In the end, what we want to come from research is new treatment—new drugs. The UK is dynamic in the life sciences and the development of new pharmaceuticals, but the rather bizarre thing is that often our doctors do not get to use them. For people working in hospitals, that is getting to be a negative feedback loop. We do not get paid extra if we put patients into trials. There is an enormous amount of paperwork, and people inevitably stay well after time to make sure that things function. If suddenly at the end of the trial period, when they might be getting the drug funded, they cannot get access to the drug for several years, until it gets through NICE in England or the Scottish Medicines Consortium, those people feel, “Who is gaining? It is not my patients.”

We require a different conversation with the pharmaceutical firms—some form of risk sharing by which perhaps a drug can be provided at a much lower price to the NHS. Instead of access simply ending and our going generic when the patent is finished, there could be a deal as to how many patients are treated with the drug before the NHS uses generic drugs. In that way the firms would know they would get a return on their money. The way things are at the moment, right now, is not working out from how much time is left and how many patients are likely to be treated. If, as when Herceptin came in, it is a matter of thousands of pounds—Kadcyla was £90,000 per patient—it becomes almost impossible. While we tinker at the edges of the pharmaceutical price regulation scheme and what is done with the money we need a much deeper conversation.

Obviously we want to promote awareness of blood cancers. Public awareness of the blood rash was mentioned; but also doctors need to think about having a high index of suspicion, and doing a simple blood test. For legislators and those who oversee the NHS systems in which decisions are made, it must be important that when a patient goes to see the doctor they set off on a smooth pathway that does not involve negotiations, hassles and disruptions, and that we support them all the way through that journey.

3.29 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a genuine pleasure to serve under your chairmanship, Mr Wilson, and I congratulate the hon. Member for Crawley (Henry Smith) on his good fortune in securing this debate just before the launch of the report by the all-party group on blood cancer, which will take place afterwards. That was very opportune and well done. He made an informative and heartfelt opening speech, and I am sure that he can secure no finer legacy in memory of his mother than what he is achieving in Parliament today. I am sure his whole family are proud of him.

As we have heard throughout this debate, blood cancer is the third biggest cancer killer in the UK, and the fifth most common cancer, with more than 230,000 people living with the disease. For those people and their families—some of whom are here today or watching the debate—action is needed to improve the treatment and support on offer. That includes some of my own constituents who contacted me prior to this debate, and it is for them that we are here today. There is much that we can do to improve treatment and support, as so eloquently put by the hon. Member for Crawley, and others who have spoken today, including my hon. Friend the Member for Coventry North East (Colleen Fletcher), and the hon. Members for Gordon (Colin Clark), for Strangford (Jim Shannon), and for Central Ayrshire (Dr Whitford), who all made excellent speeches.

Blood cancer patients need to see their GP many more times before being referred to hospital than those with other cancers. Indeed, 35% of blood cancer patients had to see their GP three or more times before being referred, compared with only 6% of those with breast cancer, and 23% of those with all other tumour types. Such figures must be the fire beneath that spurs us on to do more, otherwise we will be failing the 230,000 people who live with this disease. Today I want to pick up on three key issues: first, patient experiences, and specifically the “watch and wait” principles of treatment and support; secondly, the improvements needed in research and access to treatments; and finally I will discuss post-stem cell transplant care.

Each year, 5,000 people with slow-growing blood cancers do not start treatment straight away, but instead are placed on a regime called watch and wait. That means that patients are monitored until they reach a point where treatment must start. It can take many years for that to happen, which can add much pressure to a patient’s life, including the psychological struggles
that they might face. That is understandable: it must be excruciatingly difficult for someone to live with a cancer, including a blood-borne one, yet not receive any treatment, even though they know they have the disease.

To help fully understand this struggle, I want to read from a case study that was sent to me by Bloodwise, and written by the blogger who writes the “Diary of a ‘Fake’ Cancer Patient”. It states:

“About a month after diagnosis, I went to pieces and sat in front of my consultant panicking, crying and generally not coping.” Reading the full case study is harrowing but heart-warming at the same time. That sound peculiar, but it shows the scale of the struggle that blood cancer patients face under “watch and wait”, and also that when support is offered they can lead as normal a life as possible, and have the support to cope with the disease and the situation in which they find themselves. That is why Labour supports calls for tailored psychological support for patients who are on watch and wait, and it would be welcome if the Minister addressed that point when he replies to the debate.

It would be of great interest to hear from the Minister whether the Government plan to look at the perceived pitfall in the cancer strategy regarding the recovery package, and the failures to take into consideration the unique characteristics of blood cancer, as well as the use of terms such as “beyond cancer” and “post-treatment”, which can be alienating to blood cancer patients. As we know, blood cancers are very different to solid tumour cancers, and that determines the kind of treatment on offer to patients. For blood cancer patients, treatment is not about surgery or radiotherapy; it is about drugs to help to fight their cancer, and importantly, about access to said drugs. It is therefore crucial that innovation and the development of new drugs is encouraged to help improve patient outcomes. The Government must continue to commit to ongoing research to help save lives, and capitalise on our world-leading position as blood cancer research pioneers.

Lots of this work already happens, including charitable investment and collaboration between public bodies. One such example is IMPACT—a £4 million clinical trials programme that is jointly funded by Anthony Nolan, Leuka, and NHS Blood and Transplant services. By 2020, this exciting and much welcomed project will have established 12 clinical trials involving approximately 1,500 patients. It will play an invaluable role in achieving the vision set out in the Government’s life sciences industrial strategy and—most importantly—it will help to save lives. It is of utmost importance that the Government continue their commitment to this work.

We must also consider how the cancer drugs fund works, and how the temporary collection of data to make appraisal decisions can, for some rare blood cancers, lead to insufficiency in collecting robust data, and therefore to negative appraisals for drugs. I have raised concerns in the past about the way we appraise drugs—indeed, I worked with the hon. Member for Central Ayrshire when we were both co-chairs of the all-party group on breast cancer, and we carried out work on some breast cancer drugs, including Kadcyla. It is therefore disappointing, yet not surprising, that we find similar situations when it comes to blood cancer drugs with, for example, the drug ibrutinib being given to patients with mantle cell lymphoma. That drug received a negative appraisal, and later a positive one. That causes unnecessary distress and anxiety for patients, and it is important that such problems are addressed. I hope that the Minister will give us some steer on when the Government plan to rectify these matters.

Finally, I will touch briefly on the need for support for those living post transplant, and the care that should be on offer to them. It is estimated that by 2020 more than 16,000 people will be living post transplant, and they will therefore be more exposed to physical and psychological effects, such as graft versus host disease, depression and prolonged duress stress disorder. Although stem cell transplants can save a person’s life—that is fantastic—it is important that when someone’s life is saved, they can live it to its fullest. Sadly, only 54% of those who need psychological support actually receive it. That is down to the commissioning of post-transplant services not working for all patients, especially at the 100-day cut-off after a transplant, when responsibility for services moves from NHS England to CCGs, and therefore leads to gaps in the care and support provided. Is the Minister aware of that, and will he commit to looking at how that gap can be filled so that patients receive the best post-transplant support possible?

This debate has been incredibly important, and I am sure it has given the Minister a lot to think about. I hope that when he gets back to his office, he will look at this issue in depth and read the APPG’s report following its launch today—I am looking forward to that—so that all the 230,000 people living with blood cancer can be confident that the Government are doing their utmost to give them the best chance of living.

3.38 pm

The Parliamentary Under-Secretary of State for Health (Steve Brine): It is a pleasure to serve under your chairmanship, Mr Wilson—I believe it is the first time that I have danced in such a way. I congratulate my hon. Friend the Member for Crawley (Henry Smith) on securing this debate on an issue that I know he feels passionately about, and I commend him for his work chairing the all-party group. We all come to the House with our motivations and experiences, and we all gather more experiences in the House. One reason why this is the job that I always wanted to do in government is because I have fought many types of cancer in many different ways, and lost more than I have won. It is always moving to hear Members speak personally about their experiences and why they have promoted certain issues in their parliamentary career, and I thought my hon. Friend did that brilliantly. Such experiences make us the MPs that we are, and I hope only that the figures for the people watching this Westminster Hall debate match those for people watching daytime television shows instead, because I think they would have a great view of the way that Parliament operates.

Let me start by saying that the Government, and this Minister more than ever, are absolutely committed to transforming cancer services across England, and we take an all-cancer approach to doing so. It is true that cancer survival rates have never been higher, but we want cancer services in England to be the best in the world. We want to ensure that every patient, regardless of the type of cancer that they unfortunately get, has access to the treatment, the services and the support that give them the best possible chance of a successful clinical outcome and a successful recovery back into their lives, which are temporarily paused while they go through treatment.
Shortly after this debate, as my hon. Friend the Member for Crawley advertised very well, the all-party parliamentary group will publish its first report. Having chaired the all-party parliamentary group on breast cancer with the shadow Minister for many years—and for a bit with the hon. Member for Central Ayrshire (Dr Whitford)—and produced all-party parliamentary group reports, I know how much work goes into them and how important they are. My hon. Friend should know that they are noticed by Ministers—they are certainly noticed by this Minister. I have here the copy he kindly shared with me. I think it is an excellent and informed piece of work and I congratulate him and the charities that supported him through the secretariat. I assure him that the Government and NHS England will take careful notice of its findings and recommendations. As I always do when I speak in response to the launch of a report, I will see that he gets a response in writing to the recommendations that he has made, in addition to what I will say in today’s response.

The report highlights that someone is diagnosed with a blood cancer every 14 minutes. Nearly 250,000 people are living with blood cancer in the UK today, and it claims more lives than breast or prostate cancer. It is the third biggest cancer killer in our country, so this debate is as timely as it is important. I am pleased to say that many of the recommendations in this report mirror the strategic priorities set out in the cancer strategy for England, which outlines how we will implement all of the 96 recommendations of the independent cancer taskforce, chaired by Sir Harpal Kumar of Cancer Research UK, who will shortly step down from that role.

What a loss that will be. I wish him well. I hope I can therefore assure my hon. Friend and other hon. Members that we are already making significant progress in implementing the recommendations of the APPG report.

My hon. Friend the Member for Crawley stated where we must start—a point also made by my hon. Friend the Member for Henley (John Howell)—and that is early diagnosis. We all know that this is key for all cancers and it gives the best possible chance of successful treatment. To improve early diagnosis, the Government made £200 million available to cancer alliances in December 2016 to encourage new ways to diagnose cancer earlier, improve the care for those living with it and ensure that each cancer patient gets the right care for them. The APPG report highlights that early diagnosis of blood cancers is difficult—we have heard different contributions as to why that is—as symptoms such as tiredness or back pain, are often misdiagnosed. My hon. Friend the Member for Crawley mentioned that his mother presented with flu-like symptoms, which maybe threw them off the scent a bit in the early days. That is why, for suspected blood cancers, the National Institute for Health and Care Excellence published a revised guideline in 2015, which clearly sets out that GPs should consider a very urgent full blood count within 48 hours to assess for leukaemia, if adults present with suspicious symptoms. I am very sure that there is more that we can do around education in primary care, but I think that was a positive move from NICE.

Further, I must here mention the accelerate, coordinate and evaluate programme—ACE for short. It is a unique early diagnosis initiative, and a programme of 60 projects exploring innovative concepts across England. The programme is testing a new multidisciplinary diagnostic care approach to diagnosing patients with very unclear but concerning symptoms, often characteristic of hard to diagnose cancers such as blood cancers. There are ten pilot MDCs across five areas of the country. They are one-stop shops that can ensure patients rapidly receive a suite of tests, reducing the risk that patients bounce around services receiving multiple different referrals for the same problem, having to start that explanation all over again—I know that is incredibly difficult—and do not get that all-important early diagnosis.

We know that early analysis of these schemes is very positive and many patients can receive a diagnosis or the all-clear within just 24 hours. I look forward to seeing further analysis of these pilots when that is available and I very much hope that MDCs can become an important tool in helping us to identify blood cancers earlier. We have the new 28-day faster diagnosis standard coming down the track. I always say that 28 days is not a target, it is an end point. If we can beat it and do it in 28 hours, happy days.

Patient experience when it comes to cancer is clearly so important. The APPG’s report also rightly highlights the importance of that. Improving patient experience is one of the six strategic priorities set out in the cancer strategy, and cancer patients are receiving better and more effective care, we believe. We are committed to ensuring that this improvement continues. In 2016, NHS England surveyed just over 118,000 people through the national cancer patient experience survey, which I am committed to continuing in one form or another, because I know how important it is. Over 70,000 cancer patients took part in the latest survey. I am very grateful to all of them for giving us their feedback to help to improve the experiences of cancer patients in the future. This feedback is vital to inform and shape the way hospital trusts and clinical commissioning groups achieve further improvements for patients. The Cancer Vanguard has also developed an innovative cancer patient feedback system which is now being used by many organisations that provide cancer care in our country. This new system collects real-time patient feedback at key points in the patient care pathway, which we have heard mentioned today, so that it can be fed back and used by those redesigning services to put patient experience at the heart of improvements in service.

Linked to this point about patient experience is access to a cancer nurse specialist. My hon. Friend made the important point in his opening remarks that access to a CNS can make a hugely positive difference to the treatment experience of patients with blood cancer. Health Education England’s first ever cancer workforce plan clearly stated that we will ensure that every patient has access to a CNS or other support worker by 2021, and if we can do it sooner we will. We will do this by developing national competencies and a clear route into training.

I thank my hon. Friend and others for their tributes to Macmillan Cancer Support. I have been to Southampton General Hospital—my neighbour, the hon. Member for Southampton, Itchen (Roisin Smith), was here earlier—to visit the acute oncology centre, which is a partnership between the University Hospital Southampton NHS Trust and Macmillan, and a brilliant centre it is too. I met patients undergoing treatment for blood cancers. It was not a planned visit, but it was timely, given this debate.

[Steve Brine]
Macmillan—a brilliant charity—is also currently carrying out a specialist audit to understand the current size and location of the specialist cancer nursing workforce. This will enable us in the Department and NHS England to develop a much more comprehensive picture of how many specialist nurses are working in cancer and what further action and investment might be required to ensure timely and good quality patient care and experience in line with the target that I have set out. Once we have this data, I hope in the spring, we will publish an additional chapter to the cancer workforce plan, and consider the actions needed to support and enhance the wider nursing contribution to cancer.

My hon. Friend the Member for Gordon (Colin Clark) spoke of workforce shortages north of the border. It is a familiar tale. We both face a cancer workforce challenge, which is why HEE produced our cancer workforce plan. It is a significant challenge to the NHS and cancer care, but one that we are absolutely determined to meet head-on and to beat.

My hon. Friend the Member for Crawley and other hon. Members made points about living with and living beyond cancer. I take the point made by the shadow Minister about that term. Obviously the cancer strategy is as published, but in time it will be refreshed, and I take on board the point, which she made well. More than ever, thanks to innovations in treatment there can be a full life beyond a cancer diagnosis. The hon. Member for Central Ayrshire reminded us really well about the C-word. It did used to be the big C. It used to be a terror, and still is for many, but so many people now have a full life beyond a cancer diagnosis.

**Dr Whitford:** While we are obviously talking in particular about the chronic types of blood cancer, there are also solid tumours. Indeed, hormone positive breast cancer is actually much more of a chronic disease. It carries the same risk into the future and people may be living with it for decades. We have to get round that curve of seeing cancer as something that is dealt with acutely and then is over. There will be many cancers that we control, and we therefore need to help people to accept them as a chronic disease and not torture themselves with the C-word.

**Steve Brine:** What a good point. I love the term “survivorship”, which we often hear. It is probably an Americanism, but it is one of ours now. It is a great term because it suggests a positive: we have survived and we will continue to survive and to fight. My officials do not like me using the term “to fight cancer”, but I do think that it is a battle, and a constant battle. Macmillan’s brilliantly moving PR campaign at the end of last year talked about life with cancer. There are lots of people living with chronic conditions. When I visit cancer patients, as I did on Friday in Southampton, I always make a point of asking them what they do when they are not in the cancer ward and what they are planning to do when they finish being in the cancer ward, because their lives are more than their cancer, and they are not their cancer.

From the moment that they are diagnosed, patients benefiting from the recovery package, which we have heard mention of, receive personalised care and support. Working with their care teams, patients develop a comprehensive plan that addresses their physical and mental health requirements, which we have also rightly heard mention of, as well as identifying any other support that they may require. We are working to ensure that every patient in England, including those with blood cancer, has access to the recovery package by 2020. I repeat: if we can do it sooner, we will.

Different cancers affect the body in different ways, and treatment and the recovery journey for someone with blood cancer can vary greatly to those for a patient with a solid tumour cancer. That is why every patient will receive a holistic needs assessment as part of their recovery package. For blood cancer patients, their recovery plan will be personalised to take account of the unique characteristics of blood cancer. My hon. Friend the Member for Crawley described the end of treatment as falling off the end of a conveyor belt, which is an expression that I have heard before. In my job I have seen research to the effect that the end of treatment can be more depressing than the moment of diagnosis. That is a really hard thing to say and to accept, but I can well believe, and know from personal experience, that it is true.

That moves us on to psychological support. My hon. Friend makes the point that many patients with a chronic blood cancer diagnosis will sadly never be cured. They will be on a regime of watch and wait, often over many years, to see if the cancer has progressed to a point where treatment needs to begin. That can, understandably, take a huge psychological toll on the patient and their families. That is why the point made by the hon. Member for Central Ayrshire is so true, and why the recovery package rightly takes a holistic approach and considers the patient’s mental health needs. The Prime Minister has made improving access to mental health services a priority for her Government. There has been a fivefold increase in the number of people accessing talking therapies since 2010, but we know there is much more to do, and I will be watching that like a hawk in my job.

We have heard today about the importance of research. If we are to continue to beat cancer and to better our figures, sustained investment in research is vital. The National Institute for Health Research spent £137 million on cancer research in 2016-17. That represents the largest investment in any disease area. It is thanks to advances in research that more than 90% of children diagnosed with the most common form of childhood leukaemia now survive. However, I recognise that progress in improving survival rates, including for some blood cancers, has been slow and that survival rates remain low. We have heard today that treatment of blood cancer is especially dependent on the development of new drugs and on being able to access them—an obvious truism—and that is why our focus is on not only research, but ensuring that proven innovations are adopted swiftly across the NHS in England. NICE’s fast-track appraisal process, or the FTA, which was introduced in April last year will, we hope, do just that. The FTA process will help to ensure that cancer patients have accelerated access to any clearly effective treatment that represents value for money for what is a publicly funded health service.

**Dr Whitford:** Will the Minister explain how that interacts with the budget impact assessment that allows drugs to be delayed by up to three years, even if they have been passed by NICE, if the overall cost of them might be more than £20 million? There are many concerns among groups that that might actually delay innovative drugs, which often tend to be expensive.
Phil Wilson (in the Chair): Order. Before the Minister responds, can I say that I would like to see if we can get the Member who moved the motion in at the end for a winding-up speech?

Steve Brine: I thank the hon. Member for Central Ayrshire for that point. I might have to come back to her on it, so that—as is only fair, and bearing in mind the Chair’s point—I am able to cover some of the other points that Members raised in their speeches.

My hon. Friend the Member for Crawley said that he would be sending a copy of his report to his local CCG, and I would echo his call for MPs from England who are in the debate today to do the same. MP and CCG relationships are very important to implementing the cancer strategy and reports such as this one. I have the mobile numbers of my local CCG lead and CCG chair in my phone, and I did long before I was a Minister. How many other Members, not only in this Chamber, but in the House, have that? It is a key relationship and Members have a role to play.

The hon. Member for Coventry North East (Colleen Fletcher) spoke very well, as always, with her personal testimony. She calls for five-year plans for patients who have had a stem cell transplant. As I said, the recovery package is a personalised care plan for all cancer patients, and if the care team feel that a five-year plan is appropriate, I expect it to be considered and, if appropriate, commissioned.

The hon. Member for Strangford (Jim Shannon), who has left his place, spoke, as always, in an informed contribution full of personal testimony. I will say that cancer survival rates in England have never been higher. If we can help his colleagues in the Northern Ireland Assembly, when that is back on its feet, I would be delighted. If he wants to set up a meeting, I would be delighted to attend.

I need to close because I know, Mr Wilson, that you want to move on to the proposer of the debate. I hope that my hon. Friend will agree that implementation of the strategy is already beginning to transform services and to implement a number of the recommendations in his report, which is an excellent piece of work. Next week I will be meeting Bloodwise, which I know has representatives here today and does excellent work with his all-party group, to discuss further the important issues that Members have raised today. Next month I will be having the second of my big cancer roundtables, which this time will be joined by Cally Palmer, who is NHS England’s national cancer director. That is a great chance for me to bring all the cancer charities together.

I thank my hon. Friend for bringing the report to Westminster Hall today and wish him well with its launch in a few minutes’ time.

3:57 pm

Henry Smith: In the remaining moments of this debate I would like to express my gratitude to you, Mr Wilson, for chairing this very informative and useful debate. I am grateful to right hon. and hon. Members for their speeches, interventions and the many personal accounts that really highlight the importance of ensuring that we properly tackle blood cancer for all our loved ones across the country. I also have real gratitude to those voluntary sector organisations and charities that have been mentioned today for their remarkable work on behalf of so many people and for supporting the all-party parliamentary group on blood cancer. I am also grateful to the many patients and families who have contacted me and have supported the all-party parliamentary group with our report, which—I will mention it one more time—will be launched in the Strangers’ Dining Room in the next few minutes. I thank them for their input.

This is obviously a very emotional issue for many people, and I pay tribute to the courage of patients and their families. Those who have lost loved ones through blood cancer leave a fine legacy in ensuring that we fight—I join the Minister in using that word deliberately—blood cancer, so that we can ultimately find cures and better treatments. Finally, I am grateful to the Minister for his thoughtful reply, his work on cancer issues in the Department of Health and his fine legacy of work in the past.

Motion lapsed (Standing Order No. 10(6)).
Vagrancy and Homelessness: Cleethorpes

4.1 pm

Martin Vickers (Cleethorpes) (Con): I beg to move, That this House has considered vagrancy and homelessness in Cleethorpes.

It is a pleasure to serve under your chairmanship, Ms Ryan. I welcome the new Minister to her place, as this is the first debate to which she has responded. We expect great things from her.

There is a growing problem of vagrancy in Grimsby and Cleethorpes. In my constituency, the main hotspot is Cleethorpes town centre, particularly around St Peter’s Avenue, the High Street and in the marketplace. Its shops and vibrant night time economy make it a natural attraction for people who, unfortunately, have to go begging. That continues through the day and into the evening. Although I seek to address both sides of this complex matter, on this occasion my focus is on vagrancy and begging, as it is clear from what residents and traders have expressed to me and to the local media that they are extremely concerned.

Whatever reason people have for resorting to begging, in almost every case it is extremely complex. Their circumstances are often driven by drug and alcohol addiction. As a compassionate society, we want to do all we can, but we also owe it to business people to address the issue—on many occasions, traders in Cleethorpes have put their life savings and many years’ work into establishing and maintaining their businesses.

Last Saturday morning, I spent some time speaking to several traders on St Peter’s Avenue where the worst of the problem manifests itself. They made it clear that they consider the presence of beggars on the street bad for business.

Begging is a complex issue that is not unique to north-east Lincolnshire—it is a national issue. Caring and unsuspecting members of the public can often be lured into unwittingly giving money with the best of intentions, but without knowledge of the consequences.

At a recent community meeting in Cleethorpes, chaired by the ward councillor, residents and traders complained about vagrancy and expressed a range of concerns to representatives from the local council, Humberside police and Harbour Place, which is a local outreach charity. Dave Carlisle from Harbour Place began the meeting by highlighting that 50 people are sleeping on the streets of north-east Lincolnshire. Sadly, that is roughly double the number of only a year ago. It is clearly something that needs attention and we must do all we can to tackle the underlying problems.

Though linked, the issue of homelessness is separate to that of vagrancy. I have been reassured by the steps that the Government have taken to eliminate homelessness. Last year, the Government supported the introduction of the Homelessness Reduction Act 2017 by my hon. Friend the Member for Harrow East (Bob Blackman), which will provide vital support and is backed up by additional funding for local authorities to cover the costs of their new responsibilities.

The Government have committed to halve rough sleeping over the course of this Parliament and to eliminate it by 2027. The new homelessness reduction taskforce will do vital work to realise that ambition.

In the autumn Budget, the Chancellor announced £28 million for three Housing First pilots in Manchester, Liverpool and the west midlands to support rough sleepers and turn their lives around. I hope that that can be rolled out across the country soon. Although the problem is at its worst in our major cities, I appeal to the Government to recognise that the local economies of smaller towns could be badly affected if the issue is not addressed.

In the areas I have mentioned, there is a serious problem of what the local council refers to as “active beggars”—people who are not homeless but who use begging as a way of making money. One of the main concerns expressed at the recent community meeting in Cleethorpes was that residents simply do not know who is homeless and who is not. A report by North East Lincolnshire Council to its communities scrutiny panel in December stated:

“There are approximately 16 active beggars currently known to agencies in North East Lincolnshire. The local beggars who frequent our public spaces do have complex needs which are predominantly around drug addiction. The vast majority have access to accommodation and are not deemed to be homeless. They have refused to engage with the services and it is evident that they continue to beg in order to obtain money which in most cases will be used to fund their drug addiction.”

According to Thames Reach, in 80% of cases, money given pays for a drug or alcohol addiction and the person begging is not actually homeless. Humberside police advised my constituents,

“to not give them anything directly, and if you want to donate to those less fortunate please do so through reputable sources like Harbour Place and other charities... We understand that the issue needs to be addressed, and our officers have been out and about everyday, with plans to further increase patrols.”

The beggars identified would not engage with the support agencies, so enforcement has been difficult. In the first instance, support is offered to individuals. If enforcement is necessary, it takes the form of community protection warnings and community protection notices, which are issued for unreasonable behaviour and the detrimental effect it has on the area. So far 15 warnings have been used by the council, of which seven have progressed to notices.

The “Think Before You Give” campaign has been launched. Careful joint communications have been developed due to the sensitive nature of the subject and the perception of the general public and the media that the beggars are homeless, vulnerable and in need of financial help. As the authorities continue to curb begging on our streets, the council will keep pushing the campaign and urges local businesses to get behind it.

Both residents and businesses feel intimidated, on some occasions, by the presence of beggars. Local traders feel that their businesses are being affected, particularly when beggars camp outside their premises and ask for money from potential customers. Local traders want the police to move them on more quickly.

Recently, a court heard about elderly people who took pity on Lisa Bentley after she started begging on St Peter’s Avenue. Her efforts to make money did not go down well with the Cooplands bakery because of fears that trade would suffer. The police were alerted because the assistant manager felt that Bentley would have a detrimental effect on trade by sitting there. A lot of elderly customers were willing to put money in the cup and, therefore, to act in a way that was not necessarily
in Lisa’s best interests. She has breached her bail condition not to go on to St Peter’s Avenue and is repeatedly to be seen in the area. There is almost always a beggar sitting next to the cash machine outside the Sainsbury’s Local in the avenue, which many constituents find intimidating.

Action is being taken. A fact-finding exercise was carried out early last year, followed by a multi-agency meeting that aimed to identify the genuinely homeless and those who require support, and to distinguish them from so-called active beggars who are not homeless. The initiative was supported by a range of agencies, including the Department for Work and Pensions, the council’s strategic housing home options team and antisocial behaviour team, the police and Harbour Place. That enabled work to focus on a specified number of known individuals, with the emphasis on initial support and engagement, followed by a scaled approach to enforcement that utilised the community protection warning or notice approach.

There is concern, however, that a recent crackdown in the neighbouring town of Grimsby has pushed the problem on to Cleethorpes. This problem has been particularly prominent since the police’s Operation Hercules, which was aimed at ending the blight of antisocial behaviour and crime. The operation was important work that involved 18 police officers and 12 police community support officers, as well as traffic officers and licensing officials, but it was rather Grimsby-focused. Although Grimsby and Cleethorpes are in effect the same town, such an approach tends to move the problem rather than getting to grips with it. Throughout December, the most prominent locations where vagrants gather in Cleethorpes were patrolled daily by police, with a permanent presence during normal working hours. That presence was welcome, but the strain on resources meant that it could not go on indefinitely.

There is a range of organisations that people in need can reach out to for access to help, including the council’s home options team, which will investigate cases of homelessness. The council has a statutory duty to provide temporary accommodation to anyone who presents as homeless, eligible for services and in priority need. Wider support can also be offered, such as debt advice via specialist money advisers. Harbour Place, the charity I mentioned, has been commissioned by the council to provide an outreach service to offer assistance and provide shower facilities, additional clothing and hot meals. St Peter’s church on St Peter’s Avenue is also actively involved.

The people whom unfortunately we see on the streets obviously have complex needs, but it is important to note that the council, police and local charities are working closely to find solutions. They should be reassured by the support that the Government have offered by implementing measures to provide local authorities with greater powers and resources to eliminate homelessness and vagrancy. My aim in securing this debate was to urge the Government to consider whether further legislation is required for local authorities, police and all the agencies—whether statutory or charitable—to provide a fully co-ordinated approach to the issue.

I acknowledge that, following the 2015 spending review, the Government are spending more than £550 million to tackle homelessness and rough sleeping in England by 2020. The largest proportion of that spending comes in the form of the £315 million homelessness prevention fund, which goes directly to local authorities. Those who have information about someone begging should draw that person’s attention to the proper authorities, which will be able to point them towards the help they need. Ultimately, handing over money is not helpful to the individual in question; it is far better to donate to homelessness charities such as Harbour Place, which are well placed to provide specific assistance.

I recognise that section 3 of the Vagrancy Act 1824 is written in rather Dickensian language, but it enables the police to arrest and charge anyone who is begging. The Highways Act 1980 states:

“If a person...wilfully obstructs the free passage along a highway he is guilty of an offence”.

Section 5 of the Public Order Act 1986 also has provisions that can be useful. I have mentioned community protection warnings and notices, which are more about unreasonable behaviour and its detrimental local effect than about gathering evidence to prove an offence beyond reasonable doubt, resulting in a fine imposed by a court.

This could be an early success for the Minister. Whatever the solution is, I urge her to instruct her officials to speak to North East Lincolnshire Council, Humberside police and others to see whether they are content with the legislative regime, whether it could be made more pro-active and whether further powers may be needed. Quite reasonably, the residents and business community in Cleethorpes are concerned about the matter. People in business have devoted their life’s work to setting up small shops and the like, and we urgently need to do something to help them.

4.15 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler):

It is a pleasure to serve under your chairmanship, Ms Ryan. I congratulate my hon. Friend for Cleethorpes (Martin Vickers) on securing this important debate. This is my first opportunity to reply as a Minister; I am delighted that it is to such an old friend of mine.

Let me start with the issue of begging and associated antisocial behaviours. As all hon. Members will be aware, begging is an offence under the Vagrancy Act 1824, and enforcement decisions are a matter for chief constables and for police and crime commissioners. Local authorities and police are equipped with a wide range of enforcement powers to combat issues arising from begging. Particularly flexible are the powers contained in the Anti-social Behaviour, Crime and Policing Act 2014, which has given local authorities a range of tools, from criminal behaviour orders to public space protection orders. To support local authorities and police in making such orders under the Act, the Government have recently published updated guidance on their use and particularly on their application to vulnerable groups. It is very important that those powers are applied at a local level to meet local circumstances, in order to ensure that authorities can provide a targeted approach to tackle the issues they face in their areas, such as those that my hon. Friend outlined.

As hon. Members will appreciate, there are many reasons why people beg. To tackle the issue effectively, it is important that local authorities apply appropriate interventions that seek to address the underlying causes. To achieve that, as my hon. Friend said, it is very
important that agencies across the communities come together, including police, local authorities and support services. I am absolutely delighted to hear of the work of Harbour Place, which sounds like a very successful charity. I understand that there are a number of positive examples of well established multi-agency teams working with other local public and voluntary sector services to ensure that appropriate support and intervention is put in place to prevent anti-social behaviour in the long term.

Where people are sleeping rough, it is vital that they receive the support they need so that they are able to move away from damaging street lifestyles and into accommodation. As my hon. Friend set out, the Government are taking a number of important actions to meet our objectives of halving rough sleeping by 2022 and eliminating it altogether by 2027. To achieve those objectives, we have embarked on an ambitious programme to reform our response that places prevention right at its heart.

I am delighted that, thanks to my hon. Friend the Member for Harrow East (Bob Blackman) and colleagues across Government, the Homelessness Reduction Act 2017—the most ambitious legislative reform in decades—will be implemented in April. It will fundamentally transform the culture of homelessness service delivery and ensure that local authorities, public bodies and the third sector work together to actively prevent homelessness for all those at risk, irrespective of priority need, intentional homelessness or local connection. It will also require local authorities to work with those in need to develop personalised housing plans tailored to focus on the needs and circumstances of the individual. Those can include actions for other support services that are best suited to assist the individual.

Local authorities are clearly best placed to make decisions about how to meet the unique needs and requirements of their residents. Homelessness is a complex issue and each area is different, so it is right that local authorities have the tools and flexibilities to develop a tailored and holistic solution that works for their communities.

By placing duties on local authorities to intervene at earlier stages to prevent homelessness in their areas, the 2017 Act will ensure that more people will get the help they need before they face a homelessness crisis. To ensure that local authorities have the requisite resource in place to deliver the new duties under the Act successfully, we will provide them with an additional £72.7 million in “new burdens” funding, and I sincerely hope that my hon. Friend makes sure that North East Lincolnshire Council applies for an appropriate amount from that fund.

To support local authorities even further, we have established a homelessness advice and support team, drawn from those with expertise on this issue within local authorities and the homelessness sector. These advisers have been providing targeted challenge and support to help local authorities to prepare for the 2017 Act, and to improve their practice and performance, where appropriate, across all areas of homelessness work. So far, representatives from over 250 of England’s 326 local housing authorities have attended homelessness advice and support team events, and met the team.

We have allocated more than £1 billion to prevent and reduce homelessness and rough sleeping through to 2020. That funding will assist people to get the help they need and prevent homelessness and rough sleeping from happening in the first place. As part of this package, we have protected £315 million of core funding to local authorities to prevent homelessness. We have also provided local authorities with £402 million in flexible homelessness support grant funding, which local authorities can use to prevent and tackle homelessness in their area strategically.

That funding sits alongside our wider funding on homelessness prevention of £197 million, and specifically our homelessness prevention programme, which includes a £20 million rough sleeping fund. That fund is supporting 48 projects to prevent or reduce rough sleeping in innovative ways, by strengthening and building partnerships with agencies that play a crucial role in helping those who are at risk of sleeping rough, or already sleeping rough, to exit homelessness. With more up-front funding, local authorities will be able to tackle homelessness more proactively, pushing the balance of investment in the future away from crisis intervention and towards prevention.

In the autumn Budget, we made important announcements that will take us even further in achieving our objectives. We announced £28 million of funding to pilot a Housing First approach in three major regions in England. Those pilots will support some of the most entrenched rough sleepers to get off our streets and help them to end their homelessness. Individuals will be provided with stable, affordable accommodation and intensive, wrap-around support. That will help them to recover from complex health issues and to sustain their tenancies. Following completion of the pilots, the impact of the approach will be measured by a rigorous evaluation, which will inform our wider roll-out. Again, if the situation in St Peter’s Avenue in Cleethorpes should continue, I sincerely hope that North East Lincolnshire Council can be encouraged to join in this work after the pilots have finished.

We also know that a challenge for those who are homeless is to access tenancies in the private sector. That is why we announced funding of £20 million for schemes that will enable better access to new private rented sector tenancies or provide support in sustaining tenancies for those who are already homeless or sleeping rough, or at risk of becoming homeless or sleeping rough.

Hon. Members will be aware that tackling homelessness and rough sleeping is a complex challenge. My hon. Friend really gave us the nuts and bolts about that challenge. He has obviously gone into it incredibly deeply in his constituency and his constituents should be very grateful for the amount of time and effort that he has put into this issue, and I am sure that the traders on St Peter’s Avenue will be very grateful to him, too.

Homelessness is a complex challenge and we must adopt a truly holistic approach if we are to achieve our objectives of reducing homelessness and rough sleeping. It is for this reason we have established a rough sleeping and homelessness reduction taskforce, which will oversee the implementation of a cross-Government strategy and drive wider action to reduce homelessness and rough sleeping. The taskforce will bring together Ministers from key Departments with a role in preventing and reducing rough sleeping and homelessness, to establish a fully cross-Government approach to these issues in England.

The remit of the taskforce will be, first, to develop a cross-Government strategy to help rough sleepers, many of whom are entrenched and have complex needs. However,
the taskforce will also focus on the wider issues of homelessness prevention and affordable housing. In order to help the taskforce to deliver its objectives, we have put in place a rough sleeping advisory panel, which I will chair and which will comprise key figures from local government, central Government and homelessness charities.

I know that everyone here today will share my firm commitment to reduce homelessness and eliminate rough sleeping. Local authorities and the police are equipped with a range of powers to deal with the issues of begging and the antisocial behaviours that can be associated with it that they experience in their areas, and I encourage multi-agency working to tackle this problem, in particular in my hon. Friend’s constituency of Cleethorpes. If the police in Cleethorpes want to come and talk to us about any more legislation that they think is appropriate, I sincerely hope that, once the pilots that I mentioned are finished, they will consider that these matters are in hand. Nevertheless, our door is always open.

Once again, I thank my hon. Friend for securing this debate and Ms Ryan for chairing it. It has given me the opportunity to set out the Government’s approach to tackling these important issues.

Question put and agreed to.

4.25 pm

Sitting suspended.

Drug Consumption Rooms

4.29 pm

Ronnie Cowan (Inverclyde) (SNP): I beg to move,

That this House has considered drug consumption rooms.

It is nice to see you again, Ms Ryan.

Let me start with a few undisputed facts. Drug deaths due to overdose are increasing year on year in the United Kingdom. People have been taking drugs of various types for thousands of years. In the last 100 years or so, we have run a campaign to criminalise and persecute people who take certain categories of drugs. We decide which drug belongs in which category. Some criminals have become staggeringly rich through their involvement in the production and supply of drugs. Society adopts this language to dehumanise and ostracise sections of a community. That facilitates their abuse and allows them to be used as scapegoats.

Where are we now? The drive to arrest and incarcerate the producers, distributors, dealers and users—often referred to as the war on drugs—has seen a massive increase in violent crime and corruption, along with hundreds of thousands of deaths and the criminalisation of some people for the most minor offences. The perceived problem that the war on drugs set out to solve has been compounded by the war. As a result, time, money and lives have been wasted.

Ronnie Cowan: As I was saying before we were so rudely interrupted, we created this situation and we can fix it, but doing so will take a change in attitude at governmental level. Rather than pay lip service to people with an addiction, we need to start listening to what they are asking for. We need to treat addiction as a health issue rather than a criminal justice issue, not just in part but in its entirety.

Drug consumption rooms are part of the solution. Supervised drug consumption facilities, where illicit drugs can be used under the supervision of trained staff, have operated in Europe for the past three decades. Those facilities aim primarily to reduce the acute risk of disease transmission through unhygienic injecting, prevent drug-related overdose deaths and connect high-risk drug users with addiction treatment and other health and social services.

Caroline Lucas (Brighton, Pavilion) (Green): Does the hon. Gentleman agree that one of the big strengths of DCRs is their ability to reach people with drug addiction problems who are not otherwise known to the services? If we build relationships and trust with such people over time, we are much more likely to get them into services that can begin to address the reason for their addiction.

Ronnie Cowan: I completely agree. The first step of the healing process is building a working relationship with someone and earning their trust, so that they come back and do not have the suspicions that we have built among drug users.
Drug consumption rooms also seek to contribute to reductions in drug use in public places, in discarded needles and in public order problems linked with open drug scenes. Typically, they provide drug users with: sterile injecting equipment; counselling services before, during and after drug consumption; emergency care in the event of overdose; and primary medical care and referral to appropriate social healthcare and addiction treatment services.

Currently, people are sharing needles, using a product that may kill them instantly, and living chaotic lifestyles that harm them, their friends and their families. DCRs provide needles, which instantly reduces the spread of HIV and hepatitis C, instantly improves the health of the user and instantly engages users back into society, where they can be signposted to relevant services. Needle exchanges also go some way towards doing that, but the paraphernalia leave the premises and are often discarded in public places or shared with other users. Users may choose to inject themselves in streets, doorways or gardens near to the exchange, which is unsuitable for users and local residents.

The great thing is that we have evidence from 10 other countries that DCRs work. The first supervised room was opened in Berne, Switzerland, in June 1986. Further such facilities were established in subsequent years in Germany, the Netherlands, Spain, Norway, Luxembourg, Denmark, Greece and France. Outside Europe, there are facilities in Australia and Canada. A total of 78 drug consumption facilities currently operate in seven European monitoring centre for drugs and drug addiction-reporting countries.

Graham Morris (Easington) (Lab): I congratulate the hon. Gentleman on securing this debate on a potentially controversial subject, but perhaps one where we need to look at the evidence. Does he agree that there are not only health benefits but other benefits in terms of crime prevention and reduction? The Home Office’s figures say that 45% of crimes are caused by drug users stealing in order to feed their habits. Tackling that through the introduction of consumption rooms would bring considerable benefits.

Ronnie Cowan: Absolutely. To my knowledge, the closest thing we have had to that in UK was opened by John Marks in the Wirral back in the 1980s. At that time, local crime dropped by more than 90%. We have the information at our fingertips.

Most interestingly, no country that has adopted DCRs has ever regretted it and subsequently closed them. Switzerland and Spain have closed DCRs, but only because the need for them reduced significantly—they were so successful that they put themselves out of business.

Before the festive recess, I asked the Prime Minister at Prime Minister’s questions to change the law to facilitate DCRs in the UK—or, if not, to devolve the relevant powers to the Scottish Parliament so the Scottish Government could do so. The law needs to change to protect the people who supervise the rooms and to enable the relevant police forces to take a consistent stance that does not set them apart from the rest of the judicial system.

Ian C. Lucas (Wrexham) (Lab): Like my hon. Friend the Member for Easington (Graham Morris), I think the evidence is important. I am confused about the position in Scotland, where criminal justice is devolved. The hon. Gentleman referred to devolution, so will he clarify why the UK Parliament needs to take that step? I am genuinely interested.

Ronnie Cowan: Certain aspects of the law are not devolved to Scotland and the laws we require to allow people to work in these facilities with impunity rest here at Westminster. I want those laws to be devolved to Scotland, because we have the appetite to do the job.

The Prime Minister’s response was that she knows some people are more liberal about drugs than she is. She is not minded to do anything, which completely misses the point. It is not about having a liberal attitude but about compassion and treatment for vulnerable people.

Douglas Ross (Moray) (Con): Before we move too far away from law enforcement in Scotland, will the hon. Gentleman explain what the police’s response would be if he were to get the powers devolved? Would they be asked to ignore people in possession on their way to such venues, regardless of how far away they were?

Ronnie Cowan: The police would have the authority to stay within the law. We would not ask them to turn their eye from people who were breaking the law. The law would allow people to carry in their own drugs.

Douglas Ross: From how far?

Ronnie Cowan: The limit from which a drug may be carried in has not been defined. The point is that the Scottish Government and the Lord Advocate have asked for this facility to happen.

Douglas Ross: The Lord Advocate?

Ronnie Cowan: The alternative would be having people shooting up in alleys and contracting HIV and hepatitis C. That might be what the hon. Gentleman wants to see in Scotland; it is not what I want to see anywhere in the United Kingdom.

Nobody is saying that drugs are for everybody or that drugs are great. What I and many others are saying is that if we want to stop damaging society and help the many individuals who have a drug addiction problem, we need to change our approach. DCRs are not a magic wand or a silver bullet and they will not resolve every issue, but they are humane, productive and cost-effective. The total operating costs of the Glasgow safer drug consumption facility and heroin-assisted treatment facility are estimated at £2.3 million per annum. A 2009 Scottish Government research paper suggested that in 2006, the cost attributed to illegal drug use in Scotland was around £3.5 billion.

The Vancouver Insite DCR costs the Canadian taxpayers 3 million Canadian dollars per year. The facility claims that for every dollar spent, four are saved, as they are preventing expensive medical treatments for addicts further down the line. That figure is recognised in many other countries. A 2011 ruling by the Supreme Court of Canada concluded that Vancouver’s Insite safe injecting room saves lives with no negative impact on public safety in the neighbourhood, and that between eight and 51 overdose deaths were averted in a four-year period.
A study in Sydney showed fewer emergency call-outs related to overdoses at the time safe injecting rooms were operating. A study of Danish drug consumption found that Danish DCR clients were empowered to feel “like citizens rather than scummy junkies” —their words, not mine.

These findings corroborate other investigations that DCRs are an essential step towards preventing marginalisation and stigmatisation. NHS Greater Glasgow and Clyde estimates that the annual cost to the taxpayer of each problem drug user is £31,438. It further estimates that the introduction of a new heroin-assisted treatment service could save over £940,000 of public money by providing care for just 30 people who successfully engage with the treatment. Even if we did not give a damn about people with addictions, it would make good financial sense to provide those facilities. It is more cost-effective to provide DCRs than it is to pick up the bill after the damage has been done.

DCRs are more than just a practical solution; they are humane, compassionate and financially effective. I can think of only two reasons why the UK Government are so resistant to the proposal: either they are stuck in an ideological mindset that people with addictions are not ill but are the product of poor lifestyle choices, or they simply do not care. The UK Government have stated: “It is for local areas in the UK to consider, with those responsible for law enforcement, how best to deliver services to meet their local population needs.”

We are committed to taking action to prevent the harms caused by drug use and our approach remains clear: we must prevent drug use in our communities, help dependent individuals recover, while ensuring our drugs laws are enforced.”

That cowardly stance simply underlines the UK Government's disengagement from the reality of the situation. It pushes responsibility on to the shoulders of local administrations and the police force, while refusing to furnish them with the legal powers to act responsibly within the law. The Home Office-led study “Drugs: International Comparators” from 2014 concluded that there was

“some evidence for the effectiveness of drug consumption rooms in addressing the problems of public nuisance associated with open drug scenes, and in reducing health risks for drug users.”

It also said that the ECMDDA report

“considers that on the basis of available evidence, DCRs can be an effective local harm reduction measure in places where there is demonstrable need”.

Despite the evidence that DCRs are financially viable, the United Kingdom Government have chosen to ignore it. Can the Minister please tell me why?

In conclusion, I once again ask: will the UK Government look at the growing body of evidence and change the law to allow DCRs to be opened in the UK without fear of prosecution? Will the UK Government devolve the relevant powers to Scotland to allow the SNP Government to pursue ambitious and innovative new measures to tackle the public health issues of unsafe drug consumption?

6.39 pm

**Douglas Ross** (Moray) (Con): It is a pleasure to serve under your chairmanship, Mrs Ryan. Thank you for understanding that I am unable to stay until the end of the debate and still calling me to speak.

I congratulate the hon. Member for Inverclyde (Ronnie Cowan) on securing the debate, but I must say from the outset that I am against the introduction of these facilities. The problem with support for drug consumption rooms is that it is based on a faulty assumption that the issue with class A drugs is the circumstances in which they are consumed. It is true that many users of class A drugs are killed, injured or exposed to infection by particularly unsafe means of consumption, such as dirty needles. However, the answer is not to create state-sanctioned drug consumption rooms, but to address the real issue: the consumption itself. Our efforts must be focused on getting people off these drugs. Diversions such as drug control rooms only serve to distract from that purpose, or even make matters worse.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): I congratulate the hon. Member for Inverclyde (Ronnie Cowan) on introducing the debate. My hon. Friend makes a point about helping people to get off drugs. Surely the first step is engaging those people with medical services? The purpose of drug consumption rooms is to do exactly that, and to help people to engage in a safe way. That can be the first step to getting them off the drugs.

**Douglas Ross**: I agree that engagement is important; I disagree that the only place in which that engagement can take place is in these drug rooms. I stick by what I said earlier. We really have to ensure that we do not go down this route, because there is ultimately no safe way to take class A drugs—that is why they are classified as such.

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): Will the hon. Gentleman give way?

**Douglas Ross**: I will give way in a moment. Someone may use a drug consumption room once—they may even use it regularly—but there is no guarantee that they will use it all the time. As long as someone is addicted to these drugs, they cannot be kept safe. They certainly cannot be set on a course towards recovery, and the drug-free life that every human being deserves.

**Caroline Lucas**: Will the hon. Gentleman give way?

**Douglas Ross**: I think we are short of time, so I want to keep going.

Drug consumption rooms could even make things worse. Some drugs, such as heroin, work in such a way that many people build up a tolerance to them, so in order to get the same high and to satisfy their addiction, they end up having to take more and more of the drug. We therefore could be faced with the prospect of the state building a facility to passively watch over someone sinking deeper and deeper into an addiction that becomes more and more likely to kill them with each hit. Instead of building drug consumption rooms and trying in vain to make addiction to these drugs safer, we should be redoubling our efforts to help people overcome their addictions altogether.

When it comes down to it, the only safe approach, and the only thing that we should be encouraging, is detox and abstinence. That approach also has the added benefit of being less regionally biased. I for one cannot foresee many drug addicts in Moray, which I represent, making use of a drug consumption room in Glasgow,
but drug addiction is not limited to the large cities or the communities close to them. This issue affects all parts of the country, including small and relatively remote rural communities such as my own. There may be fewer addicts in Moray than in other parts of Scotland, but they deserve the same level of support. The issue should not be reduced to a postcode lottery.

Grahame Morris: Members of this House and members of the public have strong feelings on this issue, so it is important that we consider the evidence and the arguments. The hon. Gentleman says that he is against drug consumption rooms. I am not familiar with the situation in Moray, but I understand that shooting galleries exist. In my constituency, they are located in private dwellings, with drug addicts using dirty needles and tainted drugs of unknown quality and strength. Why does he believe that dangerous, private shooting galleries are preferable to drug consumption rooms?

Douglas Ross: The hon. Gentleman started his remarks by saying that we must base our decisions on evidence. The evidence from Professor Neil McKeganey, founder of the Centre for Drug Misuse Research said: “we surveyed over 1,000 drug addicts in Scotland and we asked them what they wanted to get from treatment. Less than 5% said they wanted help to inject more safely and the overwhelming majority said they wanted help to become drugs free.” That is the evidence that I am looking at.

I want to further explain how this issue has an impact on more rural areas. The opioid epidemic in the United States has shown us how drug addiction crises can become a dispersed and largely rural phenomenon, rather than something confined to parts of cities within reasonable distance of a drug consumption room.

There are, of course, other issues, such as policing—an issue that is close to my heart, given that my wife is a police officer. We obviously could not have police officers standing outside a drug consumption room ready to arrest anyone who walks in for possession, but where do we draw the line? Do we have an exclusion zone, within which the police do not arrest people for possession? As I was trying to ask the hon. Member for Inverclyde, what if someone is further away, but still claims to be en route to the consumption room? Do we prosecute them? Could it even be used as a valid legal defence? After all, it would be the Government actively setting up these places where drug possession and consumption are condoned. That would set us on the road to a sort of selective decriminalisation.

The hon. Member for Glasgow Central (Alison Thewliss) and the Scottish National party want powers over drugs, including the Misuse of Drugs Act 1971, to be devolved to the Scottish Parliament, but I believe the UK Government are correct to expect the police to enforce the law. I do not support SNP Members on that matter. We all want to help drug addicts, bring addiction levels down, reduce the number of deaths and injuries, and cut the crime rate, but drug consumption rooms are not the best way to do that. The best and right thing to do is to enforce the law and focus on getting people off drugs altogether.

6.45 pm

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): One of the clearest failings in public policy has been the war on drugs. Treating addicts as criminals has clearly failed; it does not work. It led to 3,744 deaths last year alone. If hon. Members think more enforcement will work, I am afraid they are sadly deceived. The evidence from around the world shows time and time again that DCRs are a way to help people stop taking drugs. They are places where people can engage safely.

Let us take Sydney as an example. In 1999, the Kings Cross area of Sydney was known particularly for its large number of overdoses and deaths. In the British national picture, I see similar patterns in parts of Brighton and Hove. I remember visiting Sydney at that time, and it was a problem. Drug consumption rooms were trialled, and after 10 years KPMG commissioned an independent report, which found that in those 10 years there was not one single fatality among any of the users who had attended the rooms. Let me repeat that, because some hon. Members do not seem to get the difference. In Sydney, where there were 4,400 drug users, not one single person died, whereas 3,744 died in Britain last year. I know which system I would prefer: the one that led to no deaths on my hands. People who advocate for a cracking down are advocating for the deaths of sons, daughters, friends and family members. That is the cruel reality of the current policy.

Bill Grant (Ayr, Carrick and Cumnock) (Con): For clarity, is the hon. Gentleman saying that, after the introduction of DCRs in Sydney, there were no drug deaths whatever as a result of the introduction, or were there no drug deaths among the users of the rooms?

Lloyd Russell-Moyle: The KPMG study found that there were no drug deaths among the people who had used and engaged with the rooms, of whom there were 4,400 over that time. During that period, there was an 80% reduction in the number of ambulance call-outs relating to drug issues in Sydney, and a reduction in the average number of overdoses in public locations by more than three quarters. The rooms provided 9,500 referrals to welfare services in the wider communities. Most importantly, they won the support of residents and neighbours.

One of the things we hear time and again—I am sure this will be brought up—is that people do not want these things in their backyard. As colleagues have said, the reality is that they are in people’s backyards—quite literally. I remember canvassing up flights of stairs in tower blocks, and people were shooting up right in front of me. They had nowhere to go and no support was offered. The only thing we can do is ring the police, but we know that in a day or so the revolving door will start again. How does that help with the pressure on our police? How does that help with the pressures on our communities? The reality is that it does not.

Globally, countries have gone down two tracks: the prohibition track or the treatment track. At the same time, in all those jurisdictions, usage has slightly decreased. However, in jurisdictions that go down the prohibition route, the harm caused by those harder drugs has rocketed and the number of people getting stuck in long-term habits has increased. Under the treatment route, as we have seen in Portugal and so on, we have seen long-term usage go down and the harm slashed. Surely that is what our policies must be about: the harm to communities and individuals.

I will not speak for much longer, because I know that lots of other colleagues want to speak, but I will touch on some of the issues that have been raised about policing.
I feel the policing issue is something of a straw man argument. If there is a centre that people are asked to go to for treatment and to abstain from drugs and stop their addictions entirely, should those people be stopped from going to the centre on the off chance that they might have drugs on them because they are addicts? Should they be followed home? Should we try to entrap them? We do not do that at the moment, so suggesting that the police would need to do that with DCRs is a straw man argument.

No law is perfect, and there are grey zones, but surely it is better to work within those legal grey zones, deal with issues through dialogue with the police and save lives, than to have a system in which we have a hard and fast rule and thousands and thousands of people die. Some 56 people died from 2014 to 2016 in my city of Brighton and Hove— it is also the city of the hon. Member for Brighton, Pavilion (Caroline Lucas), who I am sure will testify—which is actually lower than in previous years.

Douglas Ross: To clarify, I was not suggesting that the police are going out and searching everyone on the way in to DCRs. I was suggesting that there is a reasonable concern that, if someone in the vicinity of a drug room is stopped and searched and found to be in possession of something like heroin, they could say they are on their way to the drug room and may therefore not be charged. That is why the Lord Advocate in Scotland was not able to give his permission for the example in Glasgow.

Lloyd Russell-Moyle: It is interesting that that does not seem to be a problem elsewhere. That is all I can say. Let us base this on evidence from elsewhere. I have spoken for long enough, so I shall sit down.

6.53 pm

Crispin Blunt (Reigate) (Con): I am delighted to follow the hon. Member for Inverclyde (Ronnie Cowan) and I congratulate him on securing the debate. I recognise that we have a shared interest in the work that we jointly do as officers of the all-party parliamentary group on drug policy reform.

The hon. Gentleman will be unsurprised that I largely agree with his analysis. My hon. Friend the Member for Moray (Douglas Ross) might be a little more surprised about that, but I congratulate him on his speech and on taking part in the debate and representing a view that appears to represent the majority in Parliament. That is an example of the challenge one faces in getting consideration of this issue into the era of evidence and in getting it addressed around the issue of public health.

The Under-Secretary of State for the Home Department, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins), who will reply to the debate for the Government, is entirely typical in that in nearly all the nations of the world drugs policy sits in an interior or Home Department where drugs policy sits. That is frankly wrong. It ought to be sitting in Health. We are dealing with a very serious health issue.

It would be very nice if the world’s objective to deliver detox and abstinence, as elucidated by my hon. Friend the Member for Moray, was realistic. The world has been trying to do that collectively for nearly 60 years, and the position continues to get worse and worse. The criminal justice consequences of this policy are utterly appalling, and I speak from experience, having served as the Minister responsible for prisons, probation and criminal justice for two and a half years. That is just in the United Kingdom. Half of acquisitive crime is driven by addiction, and if we cannot do anything about addiction, we should be not remotely surprised that the cost to our country of the criminal justice impact is in the order of £13.5 billion, which I think was the figure given in the Government’s latest drug strategy.

From a criminal justice perspective, I would have traded the massive savings we make in criminal justice to get this issue out of criminal justice and into public health. As I have got into this issue and understood it better, I see that these two things go hand in hand. We would get a significant public health advantage by being more transparent and open about our treatment of addiction. Even if a country was not prepared to go outside the global convention and global policy on the war on drugs—to go as far as Portugal has gone—and simply decriminalised low-level use, it would see a massive improvement in its public health outcomes.

Dr Poulter: My hon. Friend is making a characteristically constructive and well-informed speech about a matter he knows well. One of the problems with the current approach is that by punishing people who, through addiction, are medically unwell—that is the way I see it, as a doctor—we are worsening the ability to engage with them effectively in healthcare terms and worsening the spiral of addiction through debt and the criminal justice consequences. Does he agree that that needs to change?

Crispin Blunt: I wholly agree. My hon. Friend, with his medical background, speaks with authority on this matter. Drug consumption rooms plainly, on the basis of evidence around the world, ought to be part of our attempt to treat people who find themselves in the wretched position of being addicted to the most difficult and dangerous drugs. It is simply about the evidence. No one has died globally in a properly overseen drug consumption room, and yet in our country, 1,707 people died as a result of illicit heroin use in 2016. The extraordinarily stark contrast between the figures in Portugal and Scotland alone ought to make all of us think very carefully about the implications of our current policy.

Douglas Ross: I hope my hon. Friend will agree that while no one has died in a drug consumption room, that does not mean that no one who has used a drug consumption room has died as a result of drug taking. As I said in my speech, we cannot get everyone to go every time. Some go once, and some go every now and then. We cannot force them to go every time.

Crispin Blunt: No, of course my hon. Friend is right, but I am not entirely sure what the merits of his point are.

Douglas Ross: It does not solve the problem because people still die.

Crispin Blunt: The truth is that we will never solve the problem. Humanity has been using drugs in one form or another for thousands of years. My hon. Friend almost certainly uses a drug, unless he is a teetotaller.
Douglas Ross: This month I am.

Crispin Blunt: Then frankly my hon. Friend is in quite a rare position. The vast majority of people—certainly Members of this House—use a drug perfectly legally, and that drug is called alcohol. It happens to be the drug that the Advisory Council on the Misuse of Drugs said is probably the most dangerous drug in use in the United Kingdom in terms of its impact. He is a football referee, and having seen football crowds he will know the difficulty of policing crowds under the influence of alcohol. Alcohol is a significant and difficult drug.

Caroline Lucas: The hon. Gentleman mentioned the Advisory Council on the Misuse of Drugs, and that body has recommended that DCRs are a policy that we should pursue. Would he agree that it is the case that not only have DCRs not been a venue where people have died, but they have been one of the most effective interventions at getting people away from addictions? DCRs are not being complacent about addiction; they are being realistic.

Joan Ryan (in the Chair): Order. We have two more speakers, and they will be able to get in. We will resume immediately once everyone is back from the Division; we will not take the 15 minutes. If there are two Divisions, the same applies. As soon as the second one is done—I think there will be two—I ask everyone to get back quickly, apart from Members who have informed me that they cannot do so.

7 pm

Sitting suspended for Divisions in the House.

7.24 pm

On resuming—

Crispin Blunt: I shall conclude by saying that one should recognise the challenge facing the Minister, given the circumstances she faces. It is difficult enough when our policy and, I believe, global policy are stuck in absolutely the wrong place; we have had 60 years of the pernicious trap of hard drug addiction. These areas have also been plagued by the brutal organised crime war between rival factions seeking to control the supply of drugs in the city.

Drug consumption rooms offer hope in this otherwise bleak landscape of despair. They are used as an effective public health measure in the Netherlands, Germany, Denmark, Spain, Norway, France, Luxembourg, Switzerland, Canada and Australia, with 90 facilities currently operating in 61 cities.

It is clear that drug consumption rooms are a worthwhile and practical measure to introduce to Glasgow. They benefit society, for example by reducing drug-related litter and needle-stick injuries, reducing the spread of disease and making our streets safer, as well as having...
significant health benefits for those who use drugs. Drug consumption rooms significantly reduce fatal overdoses and the needle-sharing that can lead to infections, including HIV and hepatitis, by providing people with sterile equipment. They have also been shown to increase the number of people entering treatment programmes.

Use of a safe space provides the opportunity to start engaging people and to build up trusting relationships with appropriate professionals, which supports them to take those first steps towards dealing with their addictions. The benefits of DCRs have already been demonstrated elsewhere, yet attempts to set up the UK’s first DCR have been blocked. That is despite the idea being supported by the British Medical Association.

That decision is typical of a Government who take little heed of scientific evidence of what works and what saves lives. This is primarily a question of public health, as has been said before, and not one of criminal justice. I therefore urge the Government to adopt an open-minded approach, heed the consensus of all relevant parties and expert bodies in Glasgow, and reconsider amending the obsolete Misuse of Drugs Act 1971 to permit the piloting of the safe drug consumption facility in Glasgow. That will allow them to assess the opportunity that that facility may bring to mitigate and solve the extensive harms caused by the unregulated and unsafe drug consumption environment in my city.

7.30 pm

Thangam Debbonaire (Bristol West) (Lab): Thank you for your patience with the many Divisions throughout the debate, Ms Ryan. I will not repeat what other hon. Members have said, but make some specific, Bristol-related remarks.

I understand why people have an instinctive reaction that drug consumption rooms must be harmful, because they appear to facilitate the use of drugs. To hon. Friends who have doubts, however, I say that we already appear to facilitate the use of drugs. To hon. Members who have said, but make some specific, Bristol-related remarks.

I urge all hon. Members to consider that if we want to give our health service more money, if we want to make our streets safer, and if we want to save the lives of people who have drug addictions, as I do, we need to invest in drug consumption rooms. However unpleasant it is to have to step over a very aggressive and slightly frightening—sometimes very frightening—drug addict on my office steps, I do not want them to die. I want their lives to be saved and I want the people who live in the blocks of flats near my office to be able to send their children out to play.

For all those reasons, and because nobody has ever died in a drug consumption room that was officially sanctioned and clinically run, I urge all hon. Members to consider the drug consumption rooms we have at the moment and support this alternative.

7.33 pm

Alison Thewliss (Glasgow Central) (SNP): I congratulate my hon. Friend the Member for Inverclyde (Ronnie Cowan) on securing this important debate. In Glasgow city centre, there are around 500 people who inject drugs on a regular basis. Someone who comes to Glasgow will probably not see it, but for many of my constituents it is a huge issue.

Before I was elected in 2007, the issue of discarded needles was raised by a resident, who pointed me to a bin in a children’s play park. I have an enduring horror that sooner or later a child will get pricked by a contaminated needle, which is a daily hazard for our council cleansing staff. No one should have to live with that risk.

The issue has never gone away, but has simply moved around. Earlier tonight, a constituent, Andy Rae, told me that he had come home to find two contaminated needles on his doorstep. As the hon. Member for Bristol West (Thangam Debbonaire) said, the problem is already there. It is on my office doorstep too.

A constituent wrote to me over the weekend to say: “In the 18 months that I have lived here there have been countless times that I’ve seen people injecting drugs in the bin area, doorways, and carpark... They leave behind their needles, bloody wipes, spoons, and bottles all over the area, strewn all over the ground/grass/hedges, as well as urine, vomit and blood on the ground... This is a nice, quiet, residential area, home to people both young and old, families with children, students, people taking their dogs out, and is also in very close proximity to the children’s play park directly across the road.”

Another constituent, who I spoke to on Monday, told me about witnessing prostitution in bin shelters and groups of people taking drugs under the stairs.

I regularly walk around that part of my constituency, reporting needles as I find them. After my surgery on Friday, I saw among the usual collection of drug paraphernalia a young woman injecting herself behind a derelict building. There is no dignity for that woman—only desperation. That is the reality of life for intravenous drug users in Glasgow,
and of the impact of their behaviour on residents. It is deeply damaging for everyone involved. Each of those people injecting drugs is someone’s child, is loved by somebody, and we owe it to them to find a better way.

There has been no means of dealing with the situation. It is imperative that we do something different. The Glasgow health and social care partnership has concluded that the only way to deal with public injecting is to provide a safe, managed space for people to inject. By doing so, we can also respond to the concerns of residents and businesses and meet the needs of a very vulnerable and marginalised population who do not engage in services. The partnership has a clear and well thought through proposal for a drug consumption room. I commend its report, “Taking away the chaos”; if the Minister has not already read it, I urge her to look at the evidence that it has gathered.

I pay particular tribute to Saket Priyadarshi for his work, to Susanne Miller of Glasgow City Council for her commitment, and to people like Kirsten Horsburgh of the Scottish Drugs Forum for their advocacy of this important project. The health and social care partnership has done significant work on establishing needs and protocols on how it would work, on listening to a range of health professionals as well as to those who use drugs, and on finding a means of funding the project. It would be more than just a room; it would be a service—a bespoke service staffed by health professionals, with a wrap-around service to help people to reduce their drug use and stabilise their lives. There would be opportunities for people not currently accessing health services to do so, and for people to get assistance to rebuild their lives.

The proposed Glasgow model is all about engaging with drug users to promote treatment, rehabilitation and social integration, as well as providing harm reduction services.

The Minister must recognise that not taking action, but rather just doing what we have already done, comes at a cost that has manifested itself in the treatment for the latest HIV and hepatitis C outbreak in Glasgow. Inaction also comes at the cost of emergency admissions to hospital. As the report notes:

“Over the last five years, the Scottish Ambulance Service has recorded an annual average of 232 ambulance attendances at suspected overdoses”

just in Glasgow. The hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) mentioned the Australian example, which shows how such costs could be saved.

There is a risk to council staff and housing association staff from clearing up needles—sometimes in their hundreds—on sites. As soon as those needles are cleared, they come back again and again. There is also a human cost—the cost of lives written off and wasted. The hon. Member for Glasgow North East (Mr Sweeney) cited some of the figures, including the 867 drug deaths in Scotland in 2010 alone. We cannot put a price on that. For every person lost to addiction a family is bereft.

Anyone’s Child: Families for Safer Drug Control supports drug consumption rooms. I have listened carefully to people who have lost family members, and they made it clear that drug consumption rooms would be a positive intervention. At the very least, their loved one would not and did not die alone in a filthy lane. Instead, they would be in a place of safety, supervised by medical professionals. As hon. Members have mentioned, there has been not one single death in any drug consumption room anywhere.

Our difficulty in Glasgow is that the project cannot go ahead without the permission of the UK Government, unlike in Ireland, where the Ana Liffey project and the then Minister—now Senator—Aodhán Ó Ríordáin changed the law to allow it. The Lord Advocate cannot pursue the matter. An exemption from the Home Office has been refused. I have a cross-party letter signed by the majority of MPs in Scotland, requesting leave for the pilot to go ahead. If it does not work, fine, but at least let us try. The status quo is not acceptable.

I invite the Minister to come to my constituency in Glasgow and see how people are living. She could then see whether she would like to put up with what my constituents put up with every day, or whether she would find it acceptable for somebody she cared about to drop their trousers and inject heroin into their groin in a manky back court surrounded by excrement and contaminated needles.

I will end with words quoted in the health report from someone in recovery:

“You need to think about it differently. That’s where I think safe injecting routes and injecting heroin...you take away the chaos. Then you have a chance to work on the attitude.”

7.39 pm

Carolyn Harris (Swansea East) (Lab): I congratulate the hon. Member for Inverclyde (Ronnie Cowan) on securing this important debate. I thank all hon. Members not just for their contribution, but for sticking with us through this very disturbed debate. I congratulate you, Ms Ryan, on steering the ship safely to the end.

The Opposition have made no secret of our disappointment in last year’s drug strategy. We waited nearly two years for it; frankly, we expected something more radical, more substantial and certainly with more funding. No amount of gloss can hide the significant problems with the approach to drugs policy that the Government have taken since taking power in 2010: it has been ideological and plagued with irresponsible cuts.

All the Members in the debate have expressed the truly shocking scale of the problem. The UK has the highest recorded level of mortality from drug use since records began. There are record numbers of deaths from morphine, heroin and cocaine use. There are more deaths from overdoses than from traffic accidents, and there is an ever-increasing incidence of HIV and hepatitis transmitted via unhygienic injecting.

Drug consumption rooms have operated in Europe for three decades, most notably in countries that have had greater success in reducing drug deaths than we have. Even if the Government are misguided and will not look at evidence from other countries, I would have thought that they would have taken the advice of their Advisory Council on the Misuse of Drugs. In 2016, in response to the unprecedented drug deaths, it recommended that the Government consider the introduction of drug consumption rooms. I believe the response was:

“It is for local areas in the UK to consider, with those responsible for law enforcement, how best to deliver services to meet their local population needs.”

I agree that the local authorities are best placed to deliver such services. However, when responsibility for alcohol and drug treatments was transferred from the NHS to local authorities in 2013, it signalled the most significant and problematic change to funding. Although
I am not criticising our overstretched local authorities, the transfer of responsibility brought an end to the ring-fenced budget for drug treatment, resulting in a reduction of services.

In an ideal world, no-one would take those harmful substances, but we do not live in an ideal world. Therefore, we cannot base life or death decisions on ideology. We have to go with what works. If the evidence is clear that drug consumption rooms prevent overdose deaths and the spread of disease, we at least need to try them. Glasgow was set to do that until it was blocked by the Government. The Member for Inverclyde secured the debate for the main purpose of calling for the devolution of drug legislation to Scotland, but the drugs problem is UK-wide and we need a UK-wide solution.

Like many, I am uncomfortable with the uncertainty we often find ourselves in when it comes to drugs and the law: legal highs, more widespread drug use, changes in legislation in other countries, decreased prosecutions for lesser drug offences and even festivals such as Glastonbury offering drug testing facilities. We have been sending mixed messages for far too long. We must address that before we are to move forward in a meaningful way.

The Opposition are clear: the ever-increasing spread of disease and record number of deaths from drug use are unacceptable. This must be dealt with as an urgent public health issue. The Government must take responsibility and they must review the legislation as a priority.

7.43 pm

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): It is a pleasure to serve under your chairmanship, Ms Ryan. I join others in congratulating you on your skilful navigation of the timetabling and the Divisions this evening. I am grateful to the hon. Member for Swansea East (Carolyn Harris) for giving me a little extra time to respond in what is a very complex debate. I thank the hon. Member for Inverclyde (Ronnie Cowan) for bringing the debate and for his obvious passion and commitment to this topic.

I will start from a position of agreement: nobody in this House wants people to become addicted to heroin, crack cocaine or any drugs. We are all grappling with the ways in which we can fight that drug battle, help addicts and ensure that gangs do not lead young people on to the wrong paths and into taking drugs. We want to rid our country of these awful substances if we possibly can. It has already been said that that is incredibly difficult, as it is in every country in the world, and nobody has the answer yet.

To be very clear from the start, the Government do not agree with the hon. Gentleman’s suggestion. We have no intention of introducing drug consumption rooms, nor do we have any intention of devolving the United Kingdom policy on drug classification and the way in which we deal with prohibited drugs to Scotland. Drug barons do not respect geographical barriers or boundaries and I dread to think what would happen if we devolved our UK-wide policy in the way that the hon. Gentleman suggests—it would then create an internal drug market within the UK, adding further to the pressures on law enforcement.

The hon. Member for Inverclyde is looking a bit askance at me. He knows my background. I used to prosecute criminals for a living. I prosecuted drug gangs; I prosecuted international drug gangs, so I know whereof I speak. There has been a certain naivety in some of these arguments about what these international gun-toting criminals will do if we, the UK, regulate prohibited drugs. They are not going to run away and study university degrees and lead law-abiding lives. They are going to find ways of undercutting the regulated market, which presumably the hon. Gentleman is calling for, with prices. They will find ways of getting to their addicts. They will still continue their awful trade; it is just that under the hon. Gentleman’s model, as I understand it, it will be the taxpayer who is helping to pay for some of the drugs that we are against.

Ronnie Cowan: Imagine the people whom we would drive out of business! This will do the same thing as it did in the 10 other countries where it has been introduced. I am talking about drug consumption rooms to help people with addiction problems through that phase of their life. Some 90% of people who use drugs in a recreational fashion do not have an addiction problem. We are talking about people with an addiction problem and helping them through that in a compassionate and humane way. That is what DCRs are about.

Victoria Atkins: I will come to what DCRs are about, because their purpose is not recovery. Their purpose is to provide a place where illicit drugs that have been bought in the local area are then consumed in a place funded either by the taxpayer or charities. Recovery is an optional part of that usage; it is not the sole purpose of it. That is very different from our drug strategy. I will come on to that in a moment.

Let me first of all deal with the international comparisons, because much has been made of the evidence from abroad. I accept that there is no clear answer here, but I am obliged to put into context some of the evidence that has been put to this Chamber by the hon. Member for Inverclyde and the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle). Ten countries have DCRs. Seven of them are in the European monitoring centre for drugs and drug addiction, and in those seven countries, 78 facilities exist. When we are talking about changing our national drugs policy, we have to be very clear about the limits of the evidence on which the hon. Gentlemen are relying.

The hon. Member for Inverclyde mentioned some countries. Canada has kept its provider, Insite, not because of the evidence that the services provided by Insite work, but because the users of Insite brought two court actions, and the Canadian Supreme Court ordered the Minister who wanted to close them to grant an exception to Insite in order to respect the constitutional rights of facility users and staff. I read that, with my legal hat on, not as an endorsement of the effect of DCRs but as a constitutional issue.

France has not agreed to use these rooms permanently. It is running a pilot project for six years. In terms of Spain, the evidence I am given by those who sit behind the counter is that there is one room open in Catalonia for one hour a day from Monday to Friday. When we hear that there have been no deaths in DCRs, which I accept, we have to understand the context in which these rooms are
operating. I suggest that one hour a day from Monday to Friday does not support a great deal of people; we are not talking about the majority of heroin users in that town in Catalonia.

The hon. Member for Brighton, Kemptown talked about there being no deaths in Sydney. I was grateful to my hon. Friend the Member for Ayr, Carrick and Cumnock (Bill Grant) for clarifying that the hon. Gentleman was in fact saying that there were no deaths in DCRs, not that the introduction of DCRs has stopped deaths from heroin in Sydney as a whole.

We do not know, because nobody has done the research yet, what happens to addicts when they leave DCRs. DCRs are not residential. Addicts are there for a number of hours. We do not know what happens when they leave those clinics and walk down the street. We do not know the impact. As we have heard, they are not there every single day. This is not a regular form of treatment, and that is precisely why I will now turn to the drug strategy. Recovery is at the heart of the Government’s drug strategy. We have brought together Health, Education and all of the relevant Departments to tackle drug addiction and the illicit trade in drugs and to look at the answers within the community, including with the police, but recovery is at the heart of it. I am sorry to hear of the experience in Scotland.

7.50 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Supported Housing

1.30 pm

Mr Clive Betts (Sheffield South East) (Lab): I beg to move.

That this House has considered the First Joint Report of the Work and Pensions Committee and the Communities and Local Government Committee, Future of supported housing, HC 867, Session 2016-17, and the Government response, Cm 9522.

It is a great pleasure to introduce this debate. I welcome the Minister to her place. This is her first opportunity to respond to a debate on the issue, and we look forward to her customary approach to local government matters—I am getting in early before she is taken over by her civil servants and told what to do. She certainly has a long track record with local government matters, having been a councillor, chair of the all-party group on local government and a member of the Select Committee on Communities and Local Government.

I also place on record the Committee’s thanks to the former Minister, the hon. Member for Nuneaton (Mr Jones), who appeared before us to answer questions on supported housing and, more recently, on homelessness. He certainly listened to the Committee on many occasions and responded positively to us; I will say a little more in due course about how positive his response was to our report. I used to tease him a little by saying that his primary job was trying to save the Department for Work and Pensions from itself when it ventured into housing matters and made policy that subsequently unravelled rather badly, having posed serious problems for much of the housing sector on the way.

The joint report is the result of our two Select Committees getting together to address this very important issue. Anyone who reads the Government response will see the wide range of accommodation that is covered by the term “supported housing”, from long-term traditional sheltered housing and extra care provision to what are essentially people’s homes—accommodation where people with learning or physical disabilities may live for long periods, or provision that people with mental health problems rely on. It also includes very short-term accommodation, often for homeless people who have nowhere else to go and need a roof over their heads, but who will eventually move on to more long-term accommodation. The report also covers the very important issue of how to provide accommodation for women fleeing domestic violence.

We probably would not be here this afternoon were it not for the Government’s intention to change the funding arrangements for such accommodation back in 2015 and 2016, and their now rather infamous decision to link payments to the local housing allowance. At least the Minister can relax this afternoon, because she does not have to defend the indefensible, unlike the Ministers who gave evidence to our inquiry. No one could begin to defend relating the costs of supported housing in any way to those of renting in the private sector, because the differences in local housing allowance rates were so extreme and bore no relation to the costs of providing supported housing in different parts of the country. At least we have got there now. At some point, the penny dropped for Ministers and civil servants and they extracted themselves from the impossible position that they had got into. That was certainly a great benefit of the inquiry. I pay credit to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham), who jointly chaired it, for putting Ministers on the spot and making them so uncomfortable that in the Government response they have extracted themselves from that impossible position.

I think I can see how it all came about. Someone in the Treasury must have said, “You mean you pay all this money to these housing providers—you just pay what they ask for? They ask for the rent, you pay over the housing benefit and there is not really any control. We need to anchor the payments to something or other, so let’s come up with a local housing allowance. That’ll do—it’ll provide an anchor so that the providers cannot simply write cheques to themselves.” I am sure that is how we got into that position, but at least we are not there any more.

Let us not forget, however, that 85% of new development of supported housing in this country was put on hold. We wasted months—indeed, a couple of years—while nothing happened. Although we may be in a better place now than at the beginning, we have still had two years when, despite the urgent need for more supported housing in this country, nothing has happened on 85% of the schemes that were in train. Everyone has said, “Wait a minute. We can’t go ahead because of the uncertainty. We can’t borrow the money because of the uncertainty. We can’t develop the schemes that we all know are needed, because the Government got the initial proposals completely and absolutely wrong.” We should not forget that; indeed, it was worse than that. Organisations such as St Mungo’s that came to give evidence to the Communities and Local Government Committee before the joint inquiry was set up said: “If this carries on, not only will we not develop new accommodation; we will pull out of what we have, because we cannot make it pay.”

Andy Slaughter (Hammersmith) (Lab): My hon. Friend is right to highlight St Mungo’s, which used to be based in my constituency and has done a lot of projects there. It is under a continuing threat: because there is still an intention to rely on local authority grants to fund short-term housing, there is not only insecurity but hostels will have to close.

Mr Betts: My hon. Friend is absolutely right: there is an underlying problem. St Mungo’s representatives came to see me this morning and spoke on behalf of a number of providers about the difficulties that still exist, despite the Government’s proposals and the fact that we have got away from LHA rates, as a first move in the direction of sanity. At least that has been clarified, but we should not forget the problems that have occurred in the past two years.

I think the report is excellent. It deals with more than just funding issues; it looks at the role that local authorities play in providing in their area; at how to get people from supported housing into more permanent mainstream housing; and at enabling people to get into work while they are in supported housing. It includes a lot of good

...
recommendations, but I will focus on three key funding issues. I would like some clarification and some certainty from the Minister about where things are going, at least in the medium term. I hope I can also persuade her to think again about two key issues in which the Government have not quite got to the right place.

The first issue is longer-term provision. To some extent, the Government response separates sheltered and extra care housing from long-term supported housing. I accept that slightly different regulatory regimes are proposed for those two sorts of housing, but in essence they will both be funded through the welfare system, as the Government response says. Their funding arrangements look similar, if not identical, so I shall address them together.

I think the Government response is helpful. It is an awful lot better than what we started with. It is clearly right, as we heard overwhelmingly in the evidence we received, that paying for supported housing should be linked to housing benefit, or to the housing element of universal credit when it comes in. What I want from the Minister is a little more explanation and clarification of the wording. The word "control" is used several times, including a reference to "enhanced cost controls and oversight, ensuring value for money for the taxpayer".

Of course, everyone recognises that the Government’s job is to ensure value for money for the taxpayer, but what does that phrase actually mean? Does it mean that in the future there will be an effort to bear down on the amount of housing benefit that is paid, to reduce the amount and say, “Well, we paid you the 100% that you requested for housing benefit last year, but next year it’s only going to be 95%, because we expect you to start squeezing the costs that are applicable to this scheme”? Who exercises the controls? Will there be a system with criteria, or will things simply be done on an ad hoc basis for individual schemes?

It would be really helpful in the cases of sheltered and extra care housing, and of long-term supported housing, for which slightly different regulatory regimes are being proposed, but necessarily the words “cost control” come into both of them. If some further explanation could be given about precisely how those cost controls will operate. Who will operate them? Will it be something that is done for three or four years ahead, or will it be something on an annual basis and, if so, how? Such an explanation would be helpful, not merely for our satisfaction here. We come back to this issue of long-term investment. We want more providers to come in with proposals, to get more places and more schemes, but they will only do that if they can satisfy the people they are borrowing money from that there is a long-term future for such schemes and that the money can be paid back. So it is absolutely crucial that we get that right. I am not making a criticism of the proposal as such; instead, I am seeking clarification about how these schemes will operate. So, can we have a bit more certainty about how they will operate for the providers in the future? I think we are getting there; we are on the same page, but we want to be clearer about what longer-term arrangements are actually written on the page.

I will come on to something about which I think there is a more fundamental problem, which is the issue with short-term accommodation. I think the term itself causes some difficulties; the Government certainly have difficulties with it. Paragraph 19 of the “Conclusions and recommendations” in this excellent joint report says—I am sure that the Minister has read that paragraph several times already, but I will read it for her again—that “The Government is right to consider an alternative funding mechanism for very short-term accommodation”.

I will stop reading there, because there is an important word in that sentence. It refers to “very” short-term accommodation. Paragraph 19 continues, “given the emergency nature”—again, those words are important—“of that provision and the inability of Universal Credit to reflect short-term changes in circumstance.” I think that is what is given; everyone knows that there have been problems with universal credit in the first few weeks. However, I do not think that anyone thinks that the problems with universal credit are likely to last for two years, do they? Do Ministers think that is what the “short-term” arrangements last for two years under the Government’s proposals—because they do not think that universal credit can be sorted out in two years? I do not know. However, if the Minister thinks so, she is even more pessimistic about universal credit than most of the rest of us are. Anyway, that is the issue.

It was very clear when the two Committees produced their joint report on this subject that they were thinking of accommodation where people literally could not get their universal credit sorted out within a matter of days or very few weeks. I think the period of around 12 weeks is probably reasonable; I think that is the period that most providers are looking at. It is “emergency” accommodation—accommodation for people who have not got a roof over their head; they live there for a very short period. I think everyone accepts that that sort of accommodation needs a different funding model. The problem is that recommendation 19 is being used by Ministers to justify having a completely different funding model for any accommodation that is provided for up to two years, and there is no justification at all in the Government’s response as to why there is that sudden extension from what had been looked at as “very short-term”, “emergency” accommodation for up to 12 weeks to accommodation that is for up to two years.

People from St Mungo’s came to see me this morning and they spoke on behalf of the Riverside Foundation, YMCA and the Salvation Army, which provide around a quarter of so-called “short-term supported housing” units in this country. They said that that extension gives an element of uncertainty to their funding that really causes them major difficulties. St Mungo’s said that 98% of the accommodation it provides will be covered by this ring-fenced grant to local authorities, about which there is absolutely no certainty at all.

I raised the concerns about the need for more clarification and certainty about the long-term funding arrangements linked to housing benefit. However, I think that most providers think there is an awful lot more certainty about those arrangements than there is about some unspecified, ring-fenced grant that can be changed at the stroke of a Chancellor’s pen at any time in the future.

Sir Edward Davey (Kingston and Surbiton) (LD): I thank the hon. Gentleman for giving way; he is making an excellent point about an excellent report. May I give him one example of where we need to see more short-term accommodation and where we need the certainty of the
financial models that he is talking about? A lot of homeless people suffering from terminal illness have a right to accommodation, but when local authorities and others get together to provide that accommodation, it is exactly the sort of accommodation that he has been talking about. That accommodation, which is so needed in many communities, will not be provided unless this problem is sorted out.

**Mr Betts:** Yes, I think that is absolutely right and again we are back to the point that providers of new accommodation need some certainty, because when they go to borrowers the borrowers say, “Where is the funding stream for the future?”; borrowers want to see that funding stream. That is exactly what St Mungo’s is saying—it will not be able to raise the funds under this proposal that the Government are currently putting forward.

I do not really know why there has suddenly been this extension to two years. There is no justification for it, so I will just ask the Minister, who I accept is new in her post, to have a really good think about it. I know there is still some of the consultation period left—I think it extends next Tuesday—so there is time to rethink and get this right.

I also say to the Minister that this issue is not only about funding for the future but about the nature of the funding and what it says, because if the funding is related to the welfare system—to housing benefit or the housing element of universal credit—essentially it is the accommodation of an individual that is funded. That individual has a relationship with the payment for their unit of accommodation. They are entitled to that accommodation, and they make a payment from their housing benefit or their element of universal credit for the cost of that accommodation. It is a tenancy relationship between the provider and the individual.

As part of the Government’s welfare reform to give responsibility to the individual in such circumstances, I would have thought that that tenancy relationship would have appealed to Ministers. However, the Government are now saying that, with a ring-fenced grant to local authorities, it will not be the individual who receives the money to pay—through the welfare system—for the rent on their property. It will actually be the institution that gets funded. So the Government are moving from an individual system, whereby money goes with the individual as part of their tenancy, to an institutional system, where the money goes to the institution itself.

Does that move fit in with the Government’s welfare reform agenda? It is difficult to see that it does. It is also difficult to see how we are moving towards a system of personal and individual responsibility, with individuals responsible for their own accommodation, when the Government are saying, completely counter to that, “We will have a new system where we actually fund the accommodation need some certainty, because when they go to borrowers the borrowers say, “Where is the funding stream for the future?”; borrowers want to see that funding stream. That is exactly what St Mungo’s is saying—it will not be able to raise the funds under this proposal that the Government are currently putting forward.

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Ministers have to think again about this issue. On both counts, the organisations and the providers are saying, “This really gives us so much uncertainty that we’re not comfortable, and our lenders are not comfortable. It will actually stop new provision in the future.” And we go back to the issue of the individual paying rent for their property and having that rent paid through the welfare system, as opposed to a ring-fenced grant for local authorities that institutionalises the whole system in a way that cuts off the tenant-landlord relationship.

That is really quite important; I do not think that that element has really been thought through, because it really is quite important.

I will raise just one other issue, as I know lots of colleagues want to speak. Again, it is an issue that I do not think Ministers have really addressed, which is the refuges for women and children. The joint report makes a very sensible recommendation about having a “national network” of refuges. Basically, however, the Government’s response was, “It should all be done at local level”.

Generally I am a localist; I think the Minister knows that. I believe that local authorities by and large are best placed to make decisions for their areas. Local councillors living in the areas they represent know what is good for those areas better than Ministers sitting behind desks in Whitehall offices.

Women’s refuges are a different issue. By and large, supported housing deals with the problems, needs and accommodation requirements of people who live in an area, and in those cases it is right that they remain in that area and are accommodated and housed there. For women fleeing domestic violence, the situation is almost exactly the opposite. If anything, they want to get out of the area where that violence has occurred to somewhere completely different so that the perpetrator does not know where they are. It is important that we see the issue on a more national scale, so that we have places for people to go that are almost certainly not in the area where the violence has happened. I read the Government’s response, and I did not understand why they turned down our recommendation, because it seemed sensible.

The recommendation was completely at odds with the rest of the report, in that the provision for that sort of circumstance is different from the other kinds of supported accommodation covered by the report. Will the Minister in her new position have a think about that?

There was overwhelming evidence to the Joint Committee on women’s refuges, but the Government said, “No, we think it is all better done at the local level.” There was no clear justification for turning the recommendation down and thinking it could all be done at the local level. Have they done any impact assessment of whether that would lead to the comprehensive network of provision that everyone wants to see?

I have raised three key issues to which I hope the Minister will respond. They are important if we are to get things right. In the end, getting the funding right means getting the provision in place and maintaining it, as well as ensuring that we get the appropriate new provision for the future.

1.52 pm

**Frank Field** (Birkenhead) (Lab): May I say what a pleasure it is to serve under your chairmanship, Mr Sharma? This is the first debate I have contributed to with you in the Chair, and I very much hope it will not be the last. I note with pleasure how my hon. Friend the Member for Sheffield South East (Mr Betts) opened the debate. The two Committees are fully signed up to much of what he said. I thank the members of the Committees for the work they did. In particular, I thank my hon. Friend the Member for Gloucester (Richard Graham)—he is my
hon. Friend on many topics—for leading the Work and Pensions Committee in this joint endeavour. I hope he will keep a longer-term interest in the subject. I am so pleased to see the hon. Member for Waveney (Peter Aldous), because he has had a long-term interest in the area, initiating debates and following things up in the Commons. All that work helps to create the tide of reform that we want.

I also welcome the Minister. Normally people say, “We hope Ministers come to their Departments with open and empty minds”, but I very much hope she is coming to this position with an open and full mind—she will be—because from her experience she knows the answers to many of the issues raised by my hon. Friend the Member for Sheffield South East. I hope the Minister clings on to that and educates her civil servants, rather than letting them do the job that they think they do so well of educating Ministers. Mr Sharma, I told you that I am chairing a roundtable in the House on modern slavery and so cannot be here for the whole debate, but I will return, I hope, to hear the Minister and the shadow Minister summing up our contributions.

I thank the Government for their movement in their response on sheltered rent on the key issue of how rents are paid in the longer term, for up to two years. Those rents will be met from state benefits, which is a real improvement. Mention has been made of at least three areas to which we would like the Minister to turn her full mind, both in this debate and in following through. The first area is the real concern about tenancies of from one month to two years. The money is ring-fenced at the moment, but what further guarantee can she give that there will be security of that funding, given that those commitments will outlast the lives of individual Governments? I look forward to hearing from the shadow Minister, my hon. Friend the Member for Great Grimsby (Melanie Onn), on the commitment that the Opposition will make.

The second area is domestic violence refuges. If we stand back, we see that the Government’s response goes back to the Elizabethan Poor Law. They say that this is the responsibility of local government, but local authorities naturally feel that the councils from which families have come should be responsible for paying the bills. We all know that people escape their original parish, as the old Poor Law would have said, because it is not safe for them to reside in that parish. I underscore strongly the point that my hon. Friend the Member for Sheffield South East made: we need a national system of funding that can support a national network. It is fine to talk of universal credit, back in September. He said that this payment would be a locally administered housing benefit. Since then, there has been a wonderful quietness on that front. Why? I hope that the Minister, whatever stick she has for poking into places to stir people up, will give a commitment in this debate to going back to see why universal credit is not delivering on those three fronts.

I end by again thanking the members of both Committees for their work, and particularly the hon. Member for Gloucester for leading on the Department for Work and Pensions side in this incredibly successful report. It was successful in the sense of keeping us all together, and partially successful in the light of the Government response. In summing up, we hope that we will be able to record total success on all fronts.

1.58 pm

Richard Graham (Gloucester) (Con): I echo the right hon. Member for Birkenhead (Frank Field) in expressing my joy at serving under your chairmanship for the first time, Mr Sharma, and at welcoming our new Minister, the hon. Member for South Derbyshire (Mrs Wheeler). As previous speakers mentioned, she brings to the role considerable experience, particularly of local government and how these things work or do not work.

I suspect that there will be a degree of similarity in some of the speeches, because the issues are relatively similar, although we will all have slightly different approaches to them. I am happy to echo the comments of my friend, the right hon. Member for Birkenhead, about the Joint Select Committee report. The hon. Member for Dulwich and West Norwood (Helen Hayes) played an educating role for me, coming as I did from the Department for Work and Pensions side. It was the right hon. Member for Birkenhead who talked me into taking up something outside the comfort zone of the Work and Pensions Committee’s normal remit. It was a fascinating experience.

In his introductory remarks, the hon. Member for Sheffield South East (Mr Betts) suggested that the aim of the Joint Select Committee’s report was to make the Government feel uncomfortable, but I am afraid that was not my objective at all. I felt that our job was to try to come up with solutions to what has been a pretty difficult issue for a long time. If one needed confirmation of that, there is the fact that among the emails that we received from various charities and lobbying groups was an interesting email from the charity Homeless Link, which said it

“recognises the challenge facing policy makers—it is a hugely complex sector, making finding solutions equally complex. However, supported housing provides a lifeline for thousands of vulnerable people and it is therefore imperative that we get it right.”

I think that all of us would agree with every word of that. Homeless Link went on to say that it

“welcomes the Government’s commitments around homelessness and rough sleeping.”

That is a very promising start.

The brief from the Communities and Local Government Committee rightly highlights the areas in which the joint report, the Committee and the wider sector are very supportive of the Government’s initial report in October 2017, responding to our recommendations in April. Crucially, the Government decided not to apply local housing allowance rates to tenants in supported housing. That was a clear recommendation in our report, and arguably the single most important one. I welcome the Government’s response in October, and hope that all right hon. and hon. Members here do likewise. My
hon. Friend the Member for Nuneaton (Mr Jones), who was the Minister for this portfolio at the time, made it clear that, broadly speaking, the Government’s response built on the report that we had submitted.

The right hon. Member for Birkenhead and the hon. Member for Sheffield South East both highlighted that there remains concern about what I would call the issue of the guarantee. For example, I received an email from Joe Feeley, the chief executive of Emmaus in Gloucestershire, which does an outstanding job for the people it helps, in which he said:

“Although the proposals state that funding for supported housing costs would be ring-fenced, we are concerned that in the long term this is difficult to guarantee.”

The right hon. Member for Birkenhead made precisely the same point. Philosophically, we might all take the view that it is pretty difficult for any Government to guarantee everything forever, but it would be helpful if the new Minister could reassure Emmaus, and Members across the House, about how supporting housing costs will be ring-fenced, and the Government’s intention to continue that throughout the life of this Parliament.

Mrs Madeleine Moon (Bridgend) (Lab): I thank the hon. Gentleman for giving way, because I am here specifically to speak about Emmaus. One of Emmaus’s concerns is that it may be limited to the two-year period of funding. It would be so helpful if the Minister confirmed today that, although we cannot have an open-ended commitment, it will be a lot longer than two years.

Richard Graham: I am grateful for that intervention, because clearly the two-year issue is one aspect of this matter. However, I think the wider issue is probably around the definition of “short term”, as has been mentioned. I had an interesting briefing from representatives of Rethink Mental Illness, who said that they “warmly welcome the decision not to proceed with the LHA cap, and to place long-term supported housing funding on a sustainable footing.”

However, they went on to raise “concerns about some of the proposals for ‘short-term’ supported housing”, which I think is normally defined as being under two years. That seems to be the issue that worries Rethink Mental Illness and other mental health organisations. Rethink Mental Illness has issued a joint letter with nine other organisations, aiming to tie down a little the definitions of “short term” and “very short term”. I hope that the Minister can shed some light on that, but we will all have to bear in mind that the consultation closes on, I think, 23 January. It will be difficult for the Government to say too much in advance of that, so I assume that the main purpose of today’s debate is for us to get our points in before the Government’s response to the consultation, which will no doubt include some of these points from charities.

Sir Edward Davey: On that key point, those in the Treasury always want to control everything and to ring-fence funds, so that nothing more can be used. However, if the funds run out, the need of the people whom we are talking about is still there. We need to get that point over to Treasury Ministers, and I am sure that the Minister would wish to do that, so this is supportive of her case to the Treasury. It seems to me that expenditure should be demand-led, not Treasury-capped and controlled. The idea that we would exclude people who are among the most vulnerable in our society because the money had run out seems to me absurd and wrong.

Richard Graham: The right hon. Gentleman makes his point with his usual passion. I will not offer a lecture to the Treasury on how they should provide and quantify the amounts of money for particular parts of the supported housing provision that the Government are looking at reshaping. At this stage, we are trying to register our concerns, as he has done, on aspects of the supported housing report that we feel are not yet reflected in the Government’s position. We are also trying to encourage the Government, when looking at the response to the consultation, in which all these points will no doubt come up, to think widely—this is the great advantage of having the Minister in her new role—about what the Minister knows from her experience, and what I and other Members will share today from our experiences, about what works best on the ground.

That brings me to my last main point, which is about domestic violence refuges. Two really good points have been made. The first, made by the hon. Member for Sheffield South East, is that domestic violence refuges are slightly different because many cases of the individuals want to be out of the area—not just the parish, as my friend, the right hon. Member for Birkenhead, mentioned, but quite often outside the constituency in which the violence happened. However, they will not all want to go to the same constituency, of course; they will want to move to different places, not least depending on where they have family links.

I can easily recall a woman fleeing from stalking in my constituency who wanted to be very far away, not only because of her fear of the individual who had stalked her, but because she wanted to go with her young children to where her mother was, to receive that additional family support. The issue is not just one of national funding, or having a national network, but of access, and how that works practically. If somebody fleeing domestic violence wants to move, for the sake of argument, from Gloucester to Birkenhead to take advantage of family links there, how will that work in practice? I can imagine that such access could be difficult.

I know the new Minister has experience of domestic violence refuges; I think I am right in saying that she helped to set one up in her constituency. That side of the argument is about the importance of localisation, as the hon. Member for Sheffield South East mentioned. These things are very often best done on the ground by people who know how to do them. Bishop Rachel of Gloucester, in her new role, has very much championed a refuge that the diocese has effectively provided in the centre of our city. That is a really good example of a local initiative that I certainly would not want ruled out as a result of a very top-down approach, led by the man or woman in Whitehall who knows best.

Vera Hobhouse (Bath) (LD): Does the hon. Gentleman agree that it is important that the full cost is met, so that local authorities do not end up with a shortfall? That is the most important thing that I am calling for as Liberal Democrat spokesperson for local government.
Richard Graham: I quite understand where the hon. Lady is coming from. That will always be a concern for all of us. The Minister knows, given her experience of running a local council, that local government is always concerned about money and the balance. No doubt she will say something about that.

All hon. Members have come to this debate in an open, warm-hearted spirit. This is not a party political debate; it is about finding a solution to a difficult problem that has plagued successive Governments for some time, and for which there probably will never be an absolutely perfect remedy, not least because there will never be an unlimited supply of money, notwithstanding the optimism of the right hon. Member for Kingston and Surbiton (Sir Edward Davey) about changing the Treasury’s way of doing things. What we can do is further explore the report’s recommendations to which the Government have not offered a complete response yet—no doubt they are waiting for the results of the consultation before doing so. Perhaps we can encourage the Minister to share some of her early thinking today.

I will finish by asking the Minister two questions. The first is about domestic violence refuges. Will she share a bit of her experience and her instincts about local initiatives by charitable, faith-led organisations that want to create local refuges for people who are happy to stay within a constituency? There is also the wider issue of how we help those who want to be a long way away, and how they can access refuges elsewhere.

My second question is about young people in supported housing, some of whom are put off looking for work by high rents and, sometimes, the impact of short-term employment on their benefits. Will the Minister share what she thinks the new funding model will do to change that? How will it give more support to such young people?

2.11 pm

Helen Hayes (Dulwich and West Norwood) (Lab): It is a pleasure to serve under your chairmanship, Mr Sharma. I am pleased to speak in this debate as co-chair of the joint inquiry into the future of supported housing. It was a pleasure to work with the hon. Member for Gloucester (Richard Graham) and members of both Select Committees on the inquiry. It was a privilege to co-chair the inquiry on a part of the housing sector that makes a significant difference to the lives of those who rely on it.

The inquiry heard extensive evidence from residents in supported housing in formal oral evidence sessions, informal evidence sessions and visits and as written evidence. I have also visited several supported housing settings, both in my constituency and further afield, to speak to residents and providers about their experiences on the ground.

Supported housing enables a wide range of residents who face particular challenges in life to live independently and with dignity, and it enables them to access the support they need. It delivers substantial savings to the public sector, which are estimated to be £3.5 billion each year. Without supported housing, many residents would end up more reliant on the NHS at a much greater cost, or in some cases in the criminal justice system.

The Government’s approach to supported housing over the past two years has thrown the sector into disarray. The initial announcement that the local housing allowance cap will apply to supported housing, followed by a year of uncertainty, caused providers to put 85% of planned new schemes on hold. Many providers stated that they feared that they would have to withdraw from the supported housing sector altogether because the funding simply would not stack up. Our inquiry clearly demonstrated the financial impact that the LHA cap would have on the sector. In particular, it highlighted the fact that the calculation of LHA, in relation to private sector rents for general needs housing in local housing market areas, made no sense at all for the funding of supported housing. There is no direct or necessary relationship between private sector rents in a given area and the cost of delivering supported housing.

I am pleased that the Government accepted that argument and announced last year both that the LHA cap would not apply to any type of supported housing, and that a new type of sheltered rent would be introduced to cover the cost of supported housing. I have spoken to several providers since that announcement, and although it is welcome, they have many questions about the details of the proposal. They are anxious to know how the formula for sheltered rent will work, which schemes will be deemed to be sheltered housing, whether there will be a separate sheltered rent rate for extra care housing, and what provision there will be for sheltered rent to increase to keep pace with inflation and increasing demands. I hope that the Minister is able to answer some of those questions today.

I want to focus on two remaining areas of the inquiry report and the Government’s response. The first is the Government’s refusal to accept the inquiry’s recommendation to establish a national network of domestic violence refuges. Refuges are unique in the supported housing sector because to a large extent they serve women from outside the local authority area in which they are situated. The current system relies on local authorities’ mutual recognition of the need for refuge provision and their willingness to fund provision that they know will not generally be used by local women.

The cuts to local government funding over the past seven years have put that arrangement under great strain. Many councils feel that they have no choice but to make cuts to their provision, which is creating a postcode lottery in many areas of the country. For example, there are no longer any domestic violence refuges in the county of Cumbria. Having looked carefully at the evidence provided by Women’s Aid and others, the inquiry reached the view that the postcode lottery could be addressed only if the Government committed to establish a national network. Full devolution of funding to local authorities risks having the opposite effect. I therefore ask the Minister to reconsider the Government’s rejection of that recommendation and to commit to working with Women’s Aid to establish a national network of refuges to guarantee a place for every woman and child across the country who needs one.

Frank Field: That links to the point made by the hon. Member for Gloucester (Richard Graham). It is possible that the local initiatives that he praised so much will continue to operate, but they need funding that is not dependent on local funding. Such measures often do not work unless they are supported strongly locally, but the funding is key.
Helen Hayes: I agree entirely with the sentiment that my hon. Friend expresses. We need to guarantee even, appropriate provision across the country. That is the problem we seek to solve, and so far there is no evidence that the Government’s response addresses that concern in any way.

The second area I want to focus on is the funding of short-term supported housing. The inquiry report said:

“The Government is right to consider an alternative funding mechanism for very short-term accommodation, given the emergency nature of that provision and the inability of Universal Credit to reflect short-term changes in circumstance. The Government should consider a system of grants paid to local authorities so they are able to commission emergency accommodation in their areas.”

That recommendation is clear. We were talking about emergency provision and the specific problems of universal credit, and we were seeking to avoid a situation in which providers end up chasing arrears arising from the universal credit claims process in relation to residents who no longer live in their provision. I was therefore very surprised that the Government chose to define short-term supported housing as housing provision for up to two years. I have spent considerable time since the Government’s response was published speaking to a range of supported housing providers, and it is clear that the announcement raises more questions than it answers, and that there are very serious concerns about its implications.

I want to raise some of those concerns about the Government’s approach to short-term supported housing with the Minister today. First, the implication of the Government’s announcement is that short-term supported housing will move from being mainly demand-led, because eligibility for funding follows the individual resident, to a local authority commissioning model. That huge change raises many questions about the basis for commissioning. What guarantees will there be in relation to the range of provision that any given local authority will have to commission? What is to stop a local authority, for example, choosing to commission supported housing for people with disabilities but not for ex-offenders or people with addictions, despite there being a need for all types of supported housing in their area?

Secondly, once the supported housing has been commissioned, how will the local authority or the provider assess the eligibility for individual places, and who will have responsibility for that decision-making process and for reviewing decisions that go wrong and providing redress? There is a recognised shortage of supported housing across all types of provision, and in that situation decisions about eligibility can be difficult. How will the application and assessment process work for short-term supported housing under a commissioning model?

Thirdly, I am concerned about the level of funding and the lack of a mechanism for increasing funding. As I understand it, the proposal is for grants to be made to local authorities based on the housing benefit spend on short-term supported housing in the area. That will not capture the costs of support and specialist buildings, and it embeds the current shortage of supported housing into the funding system. It is not clear that, under that model, the Government will ever address the shortage or be able to keep pace with the increasing demands across many types of supported housing.

Fourthly, many providers of supported housing have expressed concern that the commissioning model will lead to an erosion of the housing rights of supported housing residents: since residents will not be paying rent, they will not have a tenancy, and that leaves open the possibility of an individual’s place in supported housing being taken away because someone with a greater need comes along, or because the relationship with staff at a particular scheme breaks down. There is no contractual basis to ensure the tenant’s rights. Supported housing residents are often among the most vulnerable people in our communities, and if the Government change the way in which their housing is funded they must make clear how their rights will be protected and guaranteed.

Finally, many providers have told me that they believe a fundamental problem with the definition of supported housing is as housing for up to two years. Many of the best-supported housing providers work in a resident-focused way, so residents may live in their scheme for as long as they need. The same scheme may include residents who are there for one or two years, and others who are there for much longer. It may not be apparent at the outset how long an individual tenant will need to live in that particular provision. So the definition inevitably creates the problem of a cliff edge—the clock will start ticking at the start of the two years and, irrespective of how individual residents are doing, they and their family will know that at the end of two years they will face a crunch point in the funding of their home.

Providers of supported housing for people with mental health needs, including Rethink Mental Illness, have highlighted the particular challenges that the two years will present for people with mental ill health, whose recovery often relies on minimising sources of anxiety and creating an environment of stability. The risk is that, for many of those residents, a two-year cliff edge could itself make their health worse and set back recovery.

Those are not trivial concerns. The Government have proposed a major change to the funding model for supported housing of up to two years, without fleshing out any details. The result is that, following the two years of uncertainty that the Government have already thrust on the supported housing sector, providers are left with many questions and grave concerns about their ability to sustain the homes they provide to some of our most vulnerable residents.

I therefore hope that the Minister will take this opportunity to clarify the many unanswered questions, to listen to the concerns of the supported housing sector, and to produce a funding framework that will guarantee the provision we currently have and provide for an increase in supply to address shortfalls and cope with increasing demands. I end where I started. Supported housing is extraordinarily good value for money, and it is highly valued by those who rely on it. It is simply a false economy for the Government not to fund supported housing properly.

2.22 pm

Mrs Madeleine Moon (Bridgend) (Lab): I apologise, Mr Sharma, for the fact that I will need to get back to the main Chamber, and so cannot remain for the rest of this debate. However, I wanted to speak on behalf of my Emmaus community in particular.

There is only one Emmaus community in Wales, and I am fortunate to have it in my constituency. As many Members know, Emmaus was started in 1991. It provides accommodation, training and meaningful work for those
who are homeless or especially disadvantaged. In 2015-16 Emmaus supported more than 1,100 individuals, 12% of whom moved on into employment. According to estimates by the New Economics Foundation, the return on every £1 invested in Emmaus is £11 in social, economic and environmental benefits. There are savings to the Department of Health on hospital and emergency admissions, to the Ministry of Justice from keeping people out of prison and reducing crime and reoffending, and to local government on hostel accommodation and drug and alcohol services. The stability and rehabilitation provided to Emmaus companions is crucial in enabling them to rebuild their lives and move into paid employment.

The chief executive of Emmaus South Wales, Tom Clarke, has talked to me about his very real concerns about the Government’s new commissioning model, which he fears could undermine the excellent support Emmaus provides. There is a lot of concern about the uncertainty over the security and stability of funding for short-term accommodation providers such as Emmaus. It would be shameful if its work had to cease in 2020 because it could not secure the necessary funding.

The bulk of Emmaus income is generated from its core business activities of collecting, refurbishing and selling donated furniture and household goods. That brings in about £5 million per year. But Emmaus also needs the contribution of housing benefit—that is £5 million per year—to help transform the lives of the vulnerable people who rely on its support. Emmaus needs complete certainty that the ring-fenced funding for short-term supported housing will be guaranteed long term.

As I said in my intervention on the hon. Member for Gloucester (Richard Graham), there are major concerns about the definition of short-term accommodation and how it will impact on the likes of Emmaus. Emmaus’s reading of the new proposals is that it would fall into the short-term accommodation category when seeking funding under the new system—“short term” being defined as a period of up to two years. About 20% of Emmaus residents stay for longer than two years, after which their funding from local authorities would stop.

It is crucial to ensure that the work of organisations such as Emmaus continues. Through work and training, Emmaus does so much to help people to rebuild their lives, to contribute to society while removing risk and threat for many of them, and often to regain links to their families, with whom they might previously have had a damaging relationship. I cannot say enough how tough a regime Emmaus runs—it is not a soft option; it is a tough thing to do and a hard way back into society, and the people doing it deserve our support.

Emmaus welcomes people with alcohol and drug addiction, or mental health issues, ex-offenders and those who struggle to function in mainstream society. The majority of people Emmaus deals with are former rough sleepers. There is no limit on the length of time an individual may remain in an Emmaus community, but those who are ready to move on are supported to do so.

Emmaus’s pioneering approach saves the taxpayer money—we would be investing to save. Emmaus takes £9,000 in housing benefit for each one of its companions, whereas the cost to the public purse of one rough sleeper for 12 months is estimated by Crisis to be about £20,000. That is a huge saving for the Treasury, which likes to save money.

We must learn the lessons of the practices implemented by Emmaus. If the Government are truly to meet their stated objectives of securing the supply of supported housing and strengthening the focus on outcomes and oversight, they should heed their own guidelines and look to support the Emmaus communities. It is essential that bodies such as Emmaus are not damaged by Government proposals. I am sure that the Government have no desire to damage Emmaus, but they might, unless they are aware of the unique Emmaus funding model. In return for work, people get food and accommodation, and Emmaus gives that in return for just one benefit, provided by the state: housing benefit.

2.28 pm

Peter Aldous (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Sharma. The right hon. Member for Birkenhead (Frank Field) is no longer in his place, but I congratulate him and the hon. Member for Sheffield South East (Mr Betts) on securing this debate through their efforts, and those of their Committee members, to produce their groundbreaking and constructive report of 1 May 2017.

I welcome the new Minister, and pay tribute to her predecessor, my hon. Friend the Member for Nuneaton (Mr Jones), for his work over the past 18 months in helping us to move towards the goal that we are all striving for: that of putting the future funding of supported housing on a secure, sustainable and long-term footing. It is vital to do that if we are not to let down vulnerable groups, whether they are elderly, young, have physical disabilities, are fleeing domestic violence, or face mental health challenges and anguish. The demand for such care and support is rising, because we have an ageing population, and increasing levels of mental ill health and learning disabilities.

This is a difficult task, as the sector is made up of many sub-groups with different challenges and needs. It is necessary to do a lot of background work, to listen to the views of all interested parties, and to make proposals that will stand the test of time and help to secure much-needed investment in the sector.

It is important to recognise the good work that many people and organisations have done over the past 18 months. Providers, charities and their representatives have participated in consultations and have provided the Government, MPs, and peers with well-reasoned proposals. Credit is due to the Government for carrying out the first evidence-based review for 20 years, and for conducting two consultations in which they fully engaged with the sector. They listened to their concerns and have set up task and finish groups.

The Government have also provided a significant amount of money for supported housing schemes, such as the shared ownership and affordable homes programme, the care and support specialised housing fund, and funding for women and girls fleeing domestic violence. It is also important to recognise the very influential joint report of the Select Committees. They did a great deal of listening and thinking, and they have come up with constructive proposals that significantly move forward the complicated process of finding the right solutions.
It is appropriate to highlight the work that Lord Best, Housing and Care 21, Riverside, the Home Group and Hanover Housing Association did to analyse data from approximately 43,000 supported housing and older people’s tenancies across the United Kingdom, to demonstrate that the Select Committees’ supported housing allowance proposal represented a viable and workable approach.

Richard Graham: My hon. Friend has been doing a great job on this subject for a long time, as other Members have said. When Lord Best and the five supported housing providers, including Riverside, analysed some of that data, they were very supportive of the Government’s principle that there should be some control of costs in the sector, and of having diversity in approaches, recognising that costs vary substantially across the country. We hope that that will be reflected in the Government’s eventual position. Does my hon. Friend agree?

Peter Aldous: I do. That illustrates the point that the big challenge is in how to respond to local needs but not, as the hon. Member for Dulwich and West Norwood (Helen Hayes) said, create a postcode lottery effect.

The Government’s revised proposals, which they announced at the end of October, were generally a step in the right direction. I hope that through the consultation that closes next week, it will be possible to address the outstanding concerns, so that the Government can arrive at a funding scheme that we can all support.

Like colleagues, I received many briefings before the debate, and I will highlight some of the feedback. The Home Group, which is active in the north-east, Cornwall and East Anglia, including Lowestoft in my constituency, advised me that the Government’s October announcements gave it the increased confidence that it needed to get on with building supported housing services. It announced a £50 million investment package, which will commence in March, for three new supported housing schemes in Haverfordwest, Calderdale and Scarborough. It advised that the removal of the local housing allowance cap enabled it to commit to those developments, but it emphasised that it is vital that the detail of the new supported and sheltered housing funding proposals—such as the service charge cap—does not undermine the development of additional capacity, which we desperately need.

The Home Group believes that the overarching policy direction in this consultation is the right one; there is differentiation between short-term, sheltered and extra care, and long-term supported housing, which enables providers like it to design different funding mechanisms that cover legitimate costs. It recognises the diverse nature of its client groups in the sector. It stresses that it is essential that the three models work coherently alongside one another, as a pathway. As one of the UK’s largest providers, it works nationally with customer groups that fall into each of the three funding models—such as the service charge cap—does not undermine the development of additional capacity, which we desperately need.

The Home Group believes that the overarching policy direction in this consultation is the right one; there is differentiation between short-term, sheltered and extra care, and long-term supported housing, which enables providers like it to design different funding mechanisms that cover legitimate costs. It recognises the diverse nature of its client groups in the sector. It stresses that it is essential that the three models work coherently alongside one another, as a pathway. As one of the UK’s largest providers, it works nationally with customer groups that fall into each of the three funding models. A customer may come to a service due to crisis, and thus will be eligible for short-term funding; however, they may depend on long-term support. It is therefore essential that a customer can move seamlessly through the pathway, and that a single scheme can efficiently incorporate two or more of the funding models.

We have heard that providers’ main concern with the proposals is about short-term housing. Those who have raised worries include the National Housing Federation, Anchor, Hanover Housing, Housing and Care 21, Riverside, YMCA, St Mungo’s, the Salvation Army, the Supported Housing Alliance, Rethink Mental Illness, and Emmaus, which has a community in Norfolk, near Bungay, which serves my constituency. The long list tells a story.

Riverside, St Mungo’s, YMCA and the Salvation Army have highlighted three concerns. First, the ring-fenced local authority block grants do not provide the same protections and rights for those living in short-term supported housing as for those living in long-term supported housing. They regard that as a backward step and a return to an institutional model. Secondly, they highlight that the proposed policy is moving in the opposite direction from universal credit, which seeks to encourage independence, with claimants managing their own housing costs. Thirdly, they point out that a discretionary local funding system would not provide the assurance required by providers seeking either to develop much-needed new schemes or to invest in the necessary upgrading and repairing of facilities.

Generally, funders lend on a 30-year basis, and the current model of benefit-backed rental income has enabled the sector to borrow significant sums at highly competitive rates. In contrast, local authority contracts normally last between three and five years only; that will not provide the necessary security of revenue to obtain private finance. There is no guarantee that ring fences will remain in place; indeed, recent history suggests that they are dismantled pretty quickly.

Fourthly, although authorities already commission services that reflect local needs, the proposals will extend this commissioning approach to housing costs, including rent and service charges. That will make providers completely reliant on local authorities for all funding. There is a worry that housing providers’ loss of independence will undermine sector viability and stifle innovation. Already, an example has been brought to my attention of a local authority specifically requesting, in tenders, that housing costs be reduced.

Finally, the organisations point out that establishing a new funding system for short-term supported housing requires complex arrangements that impose expensive administrative burdens and bureaucracy on local authorities. Their alternative proposal, to which I urge the Government to give serious consideration, is threefold. First, they propose that housing costs remain in the welfare system. Secondly, instead of devising a complicated new funding system, the Government should review the administration of universal credit, and in particular the speed with which claims are administered, so that it can work better for cases of short stays. Thirdly, in services where the typical length of stay is such that universal credit cannot cover housing costs—for example, where the stay is a matter of days or weeks as opposed to months—localised funding should be an option. This localised funding model could help with the wait for housing costs to be met during the initial assessment period.

There has already been mention in the debate of the need, highlighted by the National Housing Federation, to tighten the definition of short-term services in the consultation paper. It is very wide and should be tightened, so that it is clear that the local system covers short-term emergency accommodation, where people stay for a period of weeks, rather than months. That would be in line with the recommendation in the joint report, and it would make the system fit better with universal credit.
Wera Hobhouse: Does the hon. Gentleman share my concern that if we look too much at how to get a saving out of the service, and look at other local authorities, we miss the fact that services for short-term supported housing are extremely good value for money, because they are preventive and they help people to find help before their issues worsen?

Peter Aldous: The hon. Lady is right. It has been said before that if we get the supported housing right, we save the national health service money. As ever—we are always making this plea—the Government need to break out of departmental silos and think holistically. I am sure that the Minister, in her new position, will take a sledgehammer to those silos.

I would like to highlight feedback I received from the Professional Deputy Service, which is based in Suffolk and supports individuals who lack the capacity to manage their property and personal affairs. In its response to the consultation, it emphasised the importance of the most severely disabled people with housing needs being brought into a local strategic planning and provision process. I will look to facilitate that in the coming months by working with the Professional Deputy Service, local councils and housing associations.

The partnership between the supported housing sector, Parliament and the Government is moving in the right direction in putting in place a long-term funding framework for supported housing, but there is clearly still work to do to address the significant drawbacks of the proposals for short-term accommodation, to properly synchronise supported housing processes with those of universal credit, and to provide the seamless journey articulated by the Home Group. We need to complete that task, which is so important to the dignity and wellbeing of a diverse, often vulnerable but very important group of people.

2.41 pm

Mohammad Yasin (Bedford) (Lab): It is an honour to serve under your chairmanship, Mr Sharma. I will be very brief; as I said when I apologised to you earlier, I have to leave to go to a funeral in Bedford.

I share the concern outlined in the Select Committees’ joint report that the Government do not seem to be aware of the impact of their funding proposals on the supported housing sector. Some vital support services—often those for the most vulnerable—depend on discretionary funding from local authorities. The homelessness charity Emmaus provides a home and meaningful work to more than 750 formerly homeless people across the UK. It has a community in Carlton, about 10 miles from my constituency, and has helped many rough sleepers in Bedford. The chairman of its board, Frank McMahon, recently wrote to me to outline his concerns about its future.

Much support for homeless people provides them with only a bed for the night and a hot meal. The next morning, they are back on the streets. The Emmaus model is sustainable and yields fantastic results. Many of the men and women who join an Emmaus community are not job-ready, but they gain skills and experience that often help them to gain employment when they move on. Although the Government’s proposals state that funding for supported housing costs will be ring-fenced, there is real concern that that will be difficult to guarantee in the long term.

Many supported housing providers have faced severe financial hardship since the removal in 2009 of the ring fence for the Supporting People programme. It is imperative that funding for housing costs does not follow a similar path. Introducing competition for funding for women’s refuges or schemes such as Emmaus is risky and short-sighted. Providing housing is very different from running a service, yet someone who read the report might think the Government were talking about commodities, not vulnerable people with complex problems and past traumas to overcome.

A Women’s Aid survey of refuge providers found that a one-size-fits-all funding model for short-term accommodation would force more than half of refuges to close or reduce their provision, resulting in 4,000 more women and children being turned away from the life-saving services they desperately need. Removing short-term accommodation from the mainstream benefits system would mean that residents in supported accommodation no longer had a right to claim housing benefit, and removing the financial underpinning of a rent agreement between landlord and tenant would risk undermining residents’ security. Rather than adopt a localised commissioning model for supported housing, the Government should use existing housing benefit arrangements as the basis of a new funding model, with enhanced regulation, auditing and cost control.

2.44 pm

Mr George Howarth (Knowsley) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Sharma. I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) and my right hon. Friend the Member for Birkenhead (Frank Field) on the work that has been done on this important issue.

I am sure that I am not alone in having been contacted by constituents who support St Mungo’s. It is worth quoting something that they said in their letters:

“People who are homeless should enjoy the same level of security as those with long-term needs, and therefore should have their housing costs met through the welfare system wherever possible. The current proposals leave them with less security than those in long-term supported housing or private renting, as they must rely on local funding based on estimated need rather than claiming benefits directly to pay their rent.”

That shortish sentence sums up well the dilemma that we face with short-term housing. I intend to confine my remarks to short-term supported housing, because I think there is an emerging consensus that that is where the problem lies.

First, I pay credit to Riverside, which has been cited on more than one occasion, and in particular to Jenny Luckett, for its briefing. I should point out that any errors of fact or misjudgments are mine, not Riverside’s. This issue is important to Riverside, because it currently has 2,600 bed spaces in short-term accommodation, which accounts for 64% of its supported housing. Obviously, it has a significant stake in the Government’s proposals, as do the people who rely on it for those services.

I will raise four issues and then make four suggestions to the Minister. By the way, I congratulate her on her new responsibilities. I apologise that I will not be present
until the end of the debate—I need to go to a constituency engagement—but I shall read her response with great eagerness tomorrow.

The first criticism that housing associations make is that the Government’s proposals are a lost opportunity to prepare tenants to engage with the welfare system and develop a direct relationship between their housing costs and their personal budgeting. Given the way it is proposed the system will work, that relationship will be broken.

Their second criticism, which others have made more fully so I will not labour the point, is that tenants in short-term supported accommodation will lose basic rights. People already find themselves in difficult positions only to find that they have fewer rights than others in different circumstances. Surely, we do not want that situation to get worse.

Thirdly, Riverside makes the point that providers will lose independence because of the way it is envisaged local authorities’ commissioning role will work. Control over things such as cleaning, the provision of heat, light and power to common areas, and paying the mortgage will, to a large extent, be taken out of providers’ hands. Riverside believes that, in the long term, that loss of independence may undermine the viability of providers and stifle innovation.

Fourthly, there is concern about the impact of the proposed changes on the growth of the sector. I will not labour that point because it has been made by others, but lenders in some such schemes have great concerns and say they will have problems with lending on some schemes in the future. If that is the case, it is a problem that clearly needs to be addressed.

In concluding, I will make four quick points. First, the default position for all supported housing, including short-term, should be that housing costs should remain in the main universal credit system, allowing the Government to meet their wider policy aim of moving everyone on to a modernised welfare system. Secondly, the Government should review the administration of universal credit, in particular the speed with which claims are administered, so that it works better for tenants living in supported housing. That point was made in different ways by others, but I am sure the Minister will agree it is important.

Thirdly, providers should be able to opt into a localised scheme based on a grant system for the small number of schemes where the typical length of stay is such that it will not be possible for tenants to establish universal credit claims to cover their housing costs. Finally, any staffing costs currently met through housing benefit that cannot be met through universal credit under the revised service charge eligibility rules should be met as part of the local authority-administered grant system. Such support from dedicated staff often makes the real difference in moving on to something more suitable and, after traumatic experiences, enables people to get their lives in order.

Those are the points I want to make. I know the Minister will listen carefully, and I apologise again to her and to my hon. Friend the Member for Great Grimsby (Melanie Onn) for not being here for their winding-up speeches. I hope the Minister will take into account the important points made by so many during the debate.

2.52 pm

Alex Norris (Nottingham North) (Lab/Co-op): It is a pleasure to serve under your chairship for the first time, Mr Sharma, and to engage with the new Minister for the first time, too. She and I share a couple of things in common. We share a background in local government, but we also come to this place from the east Midlands. In the east Midlands, we are very practical and pragmatic people, and it is that practical and pragmatic side of the Minister that I intend to appeal to today.

I congratulate the Work and Pensions Committee and the Communities and Local Government Committee on their excellent joint report. When I read it, I find it impossible not to note the date it was published: 25 April 2017, when I was just a twinkle in the eye of the Nottingham North electorate. I say that not for the journey down memory lane, but because when I was preparing to speak I looked around the Chamber and noted colleagues in their places, including my hon. Friend the Member for Bedford (Mohammad Yasin)—who is no longer in his place—for Blaydon (Liz Twist), for Weaver Vale (Mike Amesbury) and for Ipswich (Sandy Martin). All of us are new and we all come from local government. It is no surprise that any of us would make supported housing a priority in our early months, because it is incredibly important, and it does not take much time in local government to grasp its impact on 700,000 of the most vulnerable people in our society.

Whatever we do in the changes we make, we ought to be careful. I welcome the Government’s intention to find a long-term sustainable funding mechanism, but we need to understand the impact that even tiny alterations make and we must be wary of unintended consequences.

I rise to talk about merely 1% of the changes—the Minister will be pleased to hear that she will get only a hundredth of the speech of which I am capable—which is the 1% that relates to domestic violence. I am concerned about possible unintended consequences. It may be only 1% of the funding, but it is an extraordinarily high-impact element of public funding, and the stroke of a Minister’s pen can unwittingly close a refuge, when failure to get into a refuge could be life-or-death on that night for an individual.

Mr Sharma, I am sure that you, the Minister and all Members the Chamber follow my contributions avidly, so you may be aware that I raised this topic in a debate on refuges on 12 December. I also raised it in my first question to the Prime Minister, on 13 December. I make no apologies for a little repetition of that material, because we are reaching a crunch moment.

As the consultation comes to a close on Tuesday, I will be at No. 10 with Women’s Aid and others to present a petition with 130,000 signatures. Now, however, is a moment for Ministers and all hon. Members to be clear about our direction and what change we ought to make. I hope to encourage the Government to make an exceptionally timely change now, and there is a real opportunity for that by removing this tiny fraction from their proposals.

Why do I suggest that? It has been mentioned by others, including my hon. Friend the Member for Sheffield South East (Mr Betts) in his excellent opening speech, that the strength of domestic violence refuge provision lies in having a national network of refuges. It does not take a great leap of the imagination to understand that,
when a survivor needs to flee her abusers—it is mainly women—she may need to flee a great distance from where they live. Women’s Aid research shows that is the case in more than two thirds of instances.

It is not that there might be a need for a national network; there absolutely is a need for a national network, because the vast majority of the time an individual in one location will need to go to another. An individual in Nottingham actually has a greater interest in what decision makers are doing in Birmingham at the moment than in what is happening in Nottingham. Locally devolving funding knocks into tiny pieces a complex ecosystem of resources and threatens the good operation of services.

There is a compelling case for the service to be national, not local. That is not just my conclusion or that of Women’s Aid, but the substance of the report, both in paragraph 105 and conclusion 20. The report states the “unique challenges” that the sector faces, but there is more to it.

I am a big fan of local devolution. It is probably a common trait of those who have spent time in local government that we feel we could do more if given the opportunity. I am also, for my sins—I do not talk about this often because there is no credit in it, only blame—a wily veteran of local authority commissioning. I led on commissioning in Nottingham for three years, and if I were still in that role I know how I would handle a devolved pot: I would seek to reduce my unit costs by creating an economy of scale. There is no great science to that. However, with regard to refuges, I would handle that in one of two ways: I would either try to granulate the funding to work out which bit is for refuges and commission individually, in which case I have lost all the value of the economy of scale, or—I fear there is a growing trend towards this; there was when I finished last June—I might put my refuge provision into the general pot and explore dispersed tenancies rather than refuges as a way to house these people who really need help. There is energy in that direction not just in Nottingham but up and down the country, but it is very early days for that research, and I would not want to see a change here that makes that a fashion before we truly understand what it might mean. I certainly would not encourage that direction.

[SIR GRAHAM BRADY IN THE CHAIR]

We know what Women’s Aid says about the potential impact of the funding change: perhaps up to half of the refuges that responded to its survey may have to close or downsize as a result. We are talking about a high impact. There is a compelling case to extract the money nationally and for Ministers to commission a national network. That would get the economies of scale and give us joined-up provision. The excellent report, at conclusion 20, says that the Government should work with the sector to devise a new national model, and I wholeheartedly agree.

This pragmatic new Minister has a great opportunity. It is the perfect moment, because late this year we will be awed of two wonderful opportunities. The Government have already announced that by November refuge funding is to be reviewed, and by the end of the year we will see new domestic violence legislation, which Members across the House await enthusiastically. This is a great moment for the Government to grasp this issue, pull it out of the changes and wait for that moment at the end of the year, work with the sector as suggested and come out with a funded, planned and effective national network of refuges. I believe that is the moment we have arrived at. Two Select Committees, Women’s Aid and the domestic violence sector, more than 130,000 people via an online petition and so many others are urging Ministers to take that new course. If they do, I think we will get something truly valuable out of it. I commend the report and that change of action, and I hope the Minister will too.
like Stephanie Lodge or others, where residents are an element of universal credit, whether that is for services procured across the region, resulting in a postcode lottery for residents.

I am sure that the Minister will agree that if unnecessary procurement and commissioning achieved poorer value for money, it would not be good. Of course, housing costs are already subject to scrutiny by housing benefit teams, the local market in respect of self-funders—particularly in the case of sheltered accommodation—and through the value for money standard, which is a significant feature of Homes and Communities Agency regulation. Adding a new level of administration to local government will increase costs without directly benefiting individuals or the public purse.

Currently, providers are able to move quickly to meet unmet housing need without having to go through local government procurement channels. As an example of that, to ease the pressures of homelessness this winter, NCHA reopened a recently closed care home as a much-needed temporary accommodation service for couples and families who are homeless in Nottingham. They did so in consultation with the city council and in a matter of weeks. Under the proposed arrangements, such flexibility could be lost. The service would need to be commissioned and funded from a pot that has potentially had its entire allocation accounted for and is therefore empty.

I will say a little bit more about some of the local services and how they will be impacted. Last year I visited the Stephanie Lodge step-down mental health service in Radford in my constituency, which provides outstanding care and support for up to 10 residents leaving in-patient psychiatric care. Again, that is an NCHA service, and NCHA is concerned that under the current proposals residents at Stephanie Lodge will lose their automatic entitlement to housing benefit or the housing element of universal credit.

Holly Dagnall, director of homes and wellbeing at NCHA, told me that

“whilst rolling up housing costs with care and support costs to be met by a locally administered ‘pot’ might be helpful for those in our services who wish to work, the reality is that most if not all of our residents are a significant distance from the workplace, having moved to Stephanie Lodge from acute mental health in-patient services. NCHA believe that this is the only potential upside of the current proposals and that in reality this is an upside which will not be relevant to the vast majority of our residents at Stephanie Lodge.”

NCHA is anxious that

“the loss of automatic entitlement to housing costs being met for the individual means that the service is at risk of insufficient funding being made available to fund the important, statutory and legal housing management functions required to ensure that landlord duties are adequately discharged in the provision of safe and secure accommodation”

for tenants who are, as I am sure the Minister will appreciate, very vulnerable.

Short-term supported accommodation providers in Nottingham tell me that they would like to see housing cost up within the benefits system as the housing element of universal credit, whether that is for services like Stephanie Lodge or others, where residents are likely to live for between six months and a year. They believe that that is possible to administer and provides the best assurances for both landlords and service providers, and people in receipt of the services. It will also provide housing cost assurance for new developments, meaning that providers will be able to proceed with greater confidence in providing much-needed support for vulnerable people in my constituency.

In addition to the concerns expressed to me by providers, I have been contacted by residents across Nottingham South, who have told me how living in supported accommodation has changed their lives. One former service user, Katie, who was supported by Framework—I do not know if the Minister is aware of it, but it specialises in homelessness and homelessness prevention across the east midlands—spoke of the transformation that supported housing has created for her. She said:

“I was homeless before I moved here. It was scary because I didn’t know what was going to happen. I felt powerless. I’ve been here for three or four months and it’s been great... It’s been great to have a roof over my head but it’s also taught me a lot about life.”

She explains how having to pay rent and bills for the first time has been an education and helped her to grow up and realise she could live alone in the future. Short-term supported housing is essential to help people like Katie to move on with their lives, but they also have to have somewhere to move on to within the housing system. Framework has told me that one of the reasons people cannot move on is that hostels are full and there is nowhere for people to move on to, which is creating a backlog of unmet need.

In his final budget, George Osborne announced a £100 million capital fund for the development of move-on accommodation. It later emerged that 50% of the fund was earmarked to be spent in London, leaving only £50 million for the whole of the rest of the country, even though local authorities in the midlands and the north now face greater numbers of people sleeping rough than in London, and the rate of increase is faster. Concerns have been raised with me about that programme, and indeed were raised with the Minister’s predecessor, by Andrew Redfern, the chief executive of Framework.

Andrew Redfern was told by CLG officials that the programme was likely to be launched in the autumn of 2016. While it was launched by the Mayor of London on that date, there has still been no indication of when and how the £50 million for outside London can be accessed. What is the hold-up? Can the Minister tell us today when we can expect to see that much-needed funding made available for local authorities to bid for?

My hon. Friend the Member for Nottingham North (Alex Norris) and other hon. Members have already spoken about the dangers that the Government’s proposals present to domestic violence refuges, including our own local provision. This is incredibly serious, given the pressures that we know are already in the system. Every year the refuges run by Women’s Aid Integrated Services in Nottinghamshire turn away one in 10 women due to lack of space. That is not a problem localised to Nottingham. Demand for refuge places remains sky high across the country. Nationally, 60% of referrals were declined in 2016-17. Shockingly, on just one day this year, 90 women and 94 children were turned away. Any change in funding that endangers their future is extremely worrying.
[Lilian Greenwood]

Clearly, we should do even more to support the refuges for women fleeing domestic violence. As my hon. Friend the Member for Bedford (Mohammad Yasin) said, there is the potential for devastating consequences arising from the proposals as Women’s Aid estimates that half of refuges may have to close or reduce their provision. So we have been warned. The move to a local model is deeply flawed. According to the information that I have had from local refuges, two thirds of the women flee to a refuge outside their local area, and that is backed up by what is happening. Nationally, Women’s Aid is issuing an SOS call to the Government—I know the Minister is listening—to secure a sustainable funding solution for what are literally life-saving services, and I stand with Women’s Aid in making that call.

I am pleased that locally there has been a strong commitment from both Nottingham City Council and Nottinghamshire County Council to fund our refuges. Currently, five out of the nine refuges in the county are commissioned by them. However, one refuge in the city area and three in the county receive direct DCLG funding, which runs out over the next few months. Women’s Aid Integrated Services has told me it is unclear what will happen to those four refuges. Locally, that leaves us facing the loss of 112 bed spaces accommodating 21 families at any one time. One of those four refuges is set to close at the end of March. That particular refuge is one of a small number of refuges in the country that can accommodate women with large families, women with older male children and women with complex needs for whom the usual shared refuge is not suitable. The refuge has six houses with 37 bed spaces, and the largest house can accommodate a family with up to eight children. One more Nottingham refuge that accommodates women with complex needs is also facing a very uncertain future. The loss of any beds and spaces will put intolerable pressure on the rest of the system.

Val Lunn, CEO of Nottingham Women’s Aid Integrated Services, said:

“The Government is planning a new Domestic Violence and Abuse Bill...to protect survivors” — which we certainly welcome —

“but this is neither use nor ornament if refuges close because of the proposed changes to funding...Refuges save the lives of women and children trying to escape domestic abuse. These plans threaten to take us back to the bad old days of the 1970s”

I know the Minister will not want us to go back to those days. I urge her to take account of the considerable concerns among providers on the front line and to work with Women’s Aid to find a solution.

The Minister’s predecessor took account of the concerns of providers and of the Select Committees’ views on long-term supported accommodation provision. I, in common with colleagues today, am raising concerns about short-term housing provision. It is time for her to listen to the experts again.

Sir Graham Brady (in the Chair): Before I call the next speaker, it might be helpful for me to say that I hope to move on to the winding-up speeches by 10 to 4 at the latest. Three speakers have indicated they would like to take part, so if they can try to keep themselves to around 10 minutes each, I will not need to impose an official time limit.

3.14 pm

Mike Amesbury (Weaver Vale) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I congratulate my right hon. Friend the Member for Birkenhead (Frank Field) and my hon. Friend the Member for Sheffield South East (Mr Betts) on securing this debate and on all the work that they have done. I welcome the new Minister to her place—a pragmatic Minister, I hear.

Housing policy is complex. It is not easy and not always universally popular. It is tricky for Governments of any colour to develop policy, but we can consider the end result in fairly simple terms. Is it the right thing to do and is it better than what went before? When it comes to the proposals for the Government’s definition of short-term supported housing, charities, users and service providers are telling me, as have Members in this Chamber and beyond, that the answer is a plain and simple no. Indeed, on the test of whether the policy will make things better, it fails in relation to housing provision and tenants’ rights, and pretty quickly it will have a knock-on effect on other services such as the NHS.

Before I explain why, I accept that there are some things that the housing providers who operate in my constituency and elsewhere welcome. They tell me that the Government have done the right thing on LHA and by recognising the higher costs of sheltered housing and extra care housing. That is to the Government’s credit. However, a Government that accept praise when they do the right thing must also listen to experts when they criticise them—constructively—too.

Housing providers tell me that the move to the defined short-term local authority grants not only has the potential to be damaging to the sector in future, but is already causing 85% of new schemes to be put on hold. Even if we accept that the local authority grants will be ring-fenced—the evidence suggests they will not—can we blame any housing association for being cautious, knowing what pressure there is on local government finances and, as my hon. Friend the Member for Nottingham North (Alex Norris) mentioned, bearing in mind the complexity of local government finances as well?

The consequences reach beyond the issue of housing numbers alone. My hon. Friend the Member for Sheffield South East referred to this. There are serious implications for tenants’ rights and the broader health and social care sector. Local authority grants do not provide the same protections and rights for those living in short-term supported housing as those living in long-term schemes. Service users will no longer enjoy the same rights as tenants. The situation is described by Riverside and Women’s Aid, who operate in my constituency and elsewhere, as a backward step. Many people who access such housing are already marginalised from society on multiple levels. Removing tenancy rights not only makes matters worse, but sends a signal that our services and our society define users as short-term problems, not as equals. On the question of whether it is the right thing to do, the answer again must surely be no.

Finally, when it comes to the test of whether the policy will make things better for services such as the NHS and social care—we have already referred to
women’s refuges—yet again the answer is no. Short-term accommodation provides emergency support for those who have been through a crisis: the homeless, victims of domestic violence, people with mental ill health, and those dealing with drug and alcohol dependency. Social care, our NHS and homelessness are already at crisis point. A policy that reduces the chance of vulnerable people having a safe place to stay will only make matters worse.

In the current climate it may be unwise to predict politics. However, I fear that 12 months down the line the effects of these policies being enacted will be a topic of debate yet again, with the most vulnerable in our society paying for the consequences of a poorly shaped policy. My message to the Minister is this: no individual contributing to this debate here and beyond has every single answer to every question. But collectively, the Minister included, our housing associations, our charities and our service users have the knowledge and the ideas to develop a better approach than the one that is currently planned. Listen to what they say. It is in all our interests, so please respond pragmatically.

3.20 pm

Sandy Martin (Ipswich) (Lab): It is a pleasure to speak under your chairmanship, Sir Graham.

In their response to recommendation 3 of the joint report, the Government state that they are committed to boosting the supply of supported housing, but already there are supported housing schemes that have closed as a result of changes to the funding arrangements over the years. We are talking not just about supported housing for older people or disabled people. In Ipswich we had a Foyer for vulnerable young people, which was opened in 1997—one of the first fruits of a Labour Government and a Labour-run county council. The Foyer catered for up to 44 homeless young people from 16 to 24 years of age, many of them looked-after children who were no longer willing or able to live with foster parents. Those are precisely the sort of young people for whom significant investment at an early stage will make a life-changing difference.

The building was a disused warehouse, which was completed gutted and converted. It was, in effect, built for the purpose at significant capital cost. It provided accommodation in a supported setting, with 24-hour support, life training and counselling. There was also a range of training to help the young people gain employment. The provision covered money management, cookery and the search for independent housing, advice on benefits, help in getting treatment for substance abuse, and work training and voluntary work experience.

The Foyer for Ipswich now stands empty. There are substantially fewer places for homeless young people in Ipswich than there were a year ago. Circle Housing, which took over its running, said it could no longer afford to subsidise it. The county council, which is of course now Conservative-run, refused to meet the difference between the cost of provision and the amount that the Government were willing to make available. It was claimed that the young people could move into the local YMCA and that none of them would be thrown on to the streets, and it is true that that happened. However, there is an absolute shortage of places for homeless people in Ipswich and the closure of the Foyer has added to that shortage. For every young person who is in the YMCA rather than being in the Foyer, a place is no longer available in the YMCA for another young person who might have taken it.

The young people in question will not receive, at the YMCA, the support, counselling or training that the Foyer could provide. I do not believe that the Government response to the joint report recognises what flexibility is needed in the range of funding required for vulnerable people with such a wide range of needs. A substantial level of funding administered through local government would provide that flexibility but also entail a range of expectations for the councils to be held to, as well as requiring a regime of local government funding that would not force councils to pick and choose which statutory duty they could afford to take more seriously than another.

The alternative—possibly a more achievable one—is to plan a national network of hostels for homeless young people in need of additional support, as has been proposed for women’s refuges. The Minister should bear in mind that enough funding is needed, but also that it should be provided in such a way that there can be a full range of provision—not just the least expensive form—and securely enough to create the confidence necessary to plan for that full range of provision.

So long as supported housing facilities such as the Foyer for Ipswich continue to close, the Minister can be sure that the Government have not got things right.

3.24 pm

Liz Twist (Blaydon) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I declare an interest as a current member of Gateshead Council. I am a member of the Communities and Local Government Committee. I was not a member when the report was produced, but I was when we considered the Government’s response. Before I came to this place, I was a housing portfolio holder, so I tracked the issue with great interest.

I want to raise several matters. First, it was good to hear that the Government are not pursuing the local housing allowance in relation to supported housing and social housing generally. That removed a good deal of uncertainty from a huge proportion of our sheltered housing stock—about 71% of stock—so it was a positive move, although we still need to see what comes out of the proposals on sheltered housing rent. My thanks are not unqualified, therefore, but the move was welcome.

Secondly, on the provisions for short-term and transitional housing, as other colleagues have said, the Joint Committee’s report discussed very short-term and emergency accommodation. The situation seems unclear; I was going to say it mixes apples and pears, but perhaps it is more like mixing apples and lemons, because of the wide range of diverse provision covering different needs, which might involve different funding elements and methods of funding. Members have identified many issues and I will not go over them all. However, there has been mention of funding for schemes of up to two years. Given the different groups that use the accommodation, from homeless people with an urgent and immediate need to people facing drug and alcohol rehabilitation following a crisis, there are different needs that should be taken into account.
The issues that are thrown up have already been referred to by housing associations and other organisations. From the providers’ point of view there is continued uncertainty as to funding of the relevant part of the market, and they feel that that will stifle development. Hon. Members have referred to the desperate need for increased provision for such supported housing across a wide range of groups. We know that the uncertainty has already stifled development, because of the local housing allowance debate and the wait for a decision. We cannot afford further delays in the provision of additional accommodation of the kind in question. There is concern that local authority contracts may be as short as three to five years, and that all the uncertainty, along with the fear that funds that may be ring-fenced to begin with may not be permanently ring-fenced, will create a problem and stifle the development of new schemes. It is a practical problem.

The impact on people—tenants—has also been mentioned. They will not get the same benefits in relation to tenancies as they may have got previously, and will be subject to a different regime.

As I have said, we know that the local housing allowance consultation stifled development, and we cannot afford for that to happen again. Organisations that have been mentioned in the debate, such as Riverside, the YMCA, St Mungo’s and the Salvation Army, have clearly pointed out the problems in briefings that they have circulated. I have no doubt that they have presented them to the Government as part of their response. I hope that the Government will listen to their comments and think again. I know that a number of organisations have suggested alternative funding models for the future.

Many hon. Members have referred to domestic violence, and we have heard that the proposed funding model will limit access to appropriate provision for women fleeing domestic violence. Already we know that the number of places in refuges has been reduced, and we have heard practical examples of that.

We need a funding mechanism that works—and that works for women and those fleeing domestic violence—and that ensures that no woman is turned away from a refuge when she needs it. We also need a mechanism that does not impose local authority boundaries when people may need to cross those boundaries to ensure their safety and security, and that of their family. I ask the Minister and the Government to look again at a national scheme that allows for that freedom and that ensures that those services are there. I hope the Minister will take these points on board—they are clearly shared by Members from all parties that have been represented here—and seek to provide practical and positive solutions to these very real issues.

3.30 pm

David Linden (Glasgow East) (SNP): It is a delight to see you in the Chair, Sir Graham. I start by congratulating the Minister on her promotion; very best wishes from a current Whip to a former Whip. The Ministry of Housing, Communities and Local Government’s gain is the usual channels’ loss.

I commend the Committees on this excellent report. My hon. Friend the Member for Glasgow Central (Alison Thewliss) participated in the inquiry during her time as a member of the Communities and Local Government Committee. I know that she is very sad not to be on that Committee anymore; she has since been lumbered with me on the Procedure Committee, which is incredibly exciting. I am conscious that it is a Thursday afternoon, so I will not seek to detain the House for very long.

I pay tribute to and thank the 13 Back Benchers who spoke for their very good speeches. They include the right hon. Members for Birkenhead (Frank Field) and Winsley (Mr Howarth), and the hon. Members for Sheffield South East (Mr Betts), for Gloucester (Richard Graham), for Dulwich and West Norwood (Helen Hayes), for Bridgend (Mrs Moon), for Wavenny (Peter Aldous), for Bedford (Mohammad Yasin), for Nottingham North (Alex Norris), for Nottingham South (Lilian Greenwood), for Weaver Vale (Mike Amesbury), for Ipswich (Sandy Martin) and for Blaydon (Liz Twist). It has been a fairly consensual debate.

I have to say that, as a Scottish MP, I approach the issue with the view that the UK Government must ensure that their plans work for people across the UK, taking into account the specific needs of Scotland. We in the Scottish National party welcomed the UK Government’s climbdown on applying the local housing allowance to the social housing sector, which includes supported housing. I am sure that I speak for all right hon. and hon. Members in saying that the supported housing sector does amazing work supporting some of the most vulnerable people in our society, particularly as they seek to live independently.

The new funding model for short-term supported housing proposes devolving funding to Scotland from 2020, and it is therefore vital that the future funding model works for the people of Scotland. The report makes some sound suggestions for the future of supported housing, but I also very much hope that the UK Government will ensure that they consider the views of key stakeholders.

I have already mentioned my party’s welcome for the climbdown on the application of LHA to social housing. That announcement is positive because it comes as a major relief to renters in the social sector, as well as to supported housing providers. I pay particular tribute to my friend and colleague in the Scottish Government, Kevin Stewart MSP, who wrote, jointly with the Convention of the Scottish Local Authorities, to the Department for Work and Pensions to call for that reverse in policy.

Imposing the LHA on the social rented sector would have a devastating impact. Research carried out by the Chartered Institute of Housing found that the total rent shortfall for single under-35s alone caused by the shared accommodation rate could be £8.6 million a year. The sector has done fantastic work in campaigning against this cut and informing and lobbying Her Majesty’s Government about the major damage that it would cause to renters and providers.

It is concerning that the Government made that announcement only because they were forced to answer to the House on supported housing. Other Members have outlined how that prolonged the agony of the sector, which has faced potential disinvestment because of the uncertainty. The delay in announcing this has certainly caused undue stress to the sector and to tenants, many of whom may already be in psychologically stressful situations. It was unhelpful that the Government buried this announcement in the chaos of Prime Minister’s
Question Time; it was disrespectful to those in the sector who had been waiting for clarity and had been under the impression for more than a year that their funding would be cut.

The sector saves the Government in the region of £3.5 billion per year through lower costs for the national health service and the social care and criminal justice systems. The National Housing Federation told the Work and Pensions Committee that, for older tenants, the annual saving to the taxpayer due to their reduced reliance on health and social care services was an estimated £3,000 per person, while for people with learning disabilities and mental health issues the saving was between £12,500 and £15,500. The Associated Retirement Community Operators told the Committee that people in extra care housing cost the NHS 38% less than the average population in general needs accommodation.

As I mentioned before, funding for short-term supported housing will be devolved to Scotland from April 2020 at a level equivalent to that which would otherwise have been available through the welfare system. In England, the model set out in the consultation means that this provision will be commissioned at a local level, funded through a ring-fenced grant and underpinned by a new local planning and oversight regime.

However, in Scotland we wish to work with local government and providers to consider that option alongside a broader range of potential options for distributing the funds with the wider sector over the coming months. To ensure that the amount of money devolved meets the needs of the sector, we will work with the UK Government, providers and local authorities to ensure that the data gathered on existing costs is robust and enables service users to continue to be supported.

Long-term supported housing will remain in the welfare system, and I am glad that the UK Government have committed to working with the sector to develop and deliver arrangements to ensure value for money. However, DWP officials have indicated that they still need to work to find a longer-term practical solution to keep that money within the welfare system due to the move to universal credit by 2022. It would be remiss of me at this point not to reference universal credit and its forthcoming December roll-out in Glasgow. I continue to ask the Government to halt that roll-out, given the shambles we have seen it elsewhere.

It is vital that the future funding model works for the people of Glasgow and of Scotland. Although responsibility for housing is devolved, the UK Government’s policy on housing support has a substantial impact on Scotland’s pursuit of its housing objectives. I know that my colleagues in the Scottish Government are responding to the UK Government consultation on this, which I understand closes on Tuesday.

The report makes some sound suggestions, and I very much hope that the Government will consider the views of stakeholders. I have to say that, as a new MP, I continue to be somewhat frustrated that the Government continue to tie themselves in knots over Brexit, often at the expense of other policy areas. The fact is that their delays are having a very real impact on people—in this case, vulnerable people living on low incomes.

The burden of the Government’s policies continues to fall on other parts of the public and voluntary sectors. The UK Government must provide certainty for the social housing sector and bring forward their plans for a robust funding formula. I am conscious of time, so I conclude by saying that the report—as well as the consultation currently being held—should be considered as an opportunity genuinely to listen to the view of the community who know best about how to put this type of housing on a sustainable footing.

3.37 pm

Melanie Onn (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I join others in the House in welcoming the Minister to her place. I look forward to working with her in the future. I also add my congratulations to my right hon. Friend the Member for Birkenhead (Frank Field), who is not in his place, and my hon. Friend the Member for Sheffield South East (Mr Betts) on securing the debate on the excellent joint Select Committee report. I am sure it will be referenced for some time to come.

I suspect that it will not come as a surprise to some in the room to hear that I think the report is excellent, given that I was a member of the Communities and Local Government Committee. In that vein, I extend my thanks to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham), who is no longer in his place, who steered that Committee through some intensive evidence gathering sessions with their excellent chairing skills. They made possible a thorough report that enabled those different organisations and Members of Parliament to challenge this policy and have some great effect.

I also remember the work of the hon. Member for Waveney (Peter Aldous) in this area. It became apparent towards the end of last year, when he held a very short debate in the House, just how much concern about and affection for supported accommodation there is across the House. There was barely a seat available for people to listen to his eloquent words. It was profound, and it certainly made clear to Ministers the strength of feeling across the House on this matter.

The joint Committee report, alongside the repeated calls from the Opposition in Opposition day debates and the resolution of the House, resulted in a welcome acknowledgment by the Government that including supported housing in the LHA rate cap was wrong and in a climbdown by the Prime Minister. However, the resulting review of the funding model has left things less than straightforward—that is quite a generous description of the situation.

It has been striking to hear the similarities between the issues raised by hon. Members and the collective approach taken by providers of supported accommodation. They have been determined to speak with one voice and ensure that they are heard collectively, so that the Minister understands that some very clear flaws need addressing. Doing so will hopefully reduce her considerable burden of additional responsibilities.

My hon. Friend the Member for Ipswich (Sandy Martin) was right to highlight all the other services that are available within supported accommodation. This is not about a roof over people’s heads. It is about the accommodation, but it is also about the support. We should remember that in every decision we make.
The Government plan to split their supported housing funding into three models, based on sheltered, short-term and long-term needs, and move the responsibility for funding of short-term supported housing from the main welfare system to local authorities. The Government have said that that is about providing long-term sustainable funding mechanisms that ensure quality. However, I do not think that the Government’s response goes anywhere near achieving those aims. In fact, as it stands, the proposal will lead to more insecurity for many around the country, as my hon. Friend the Member for Blaydon (Liz Twist) explained clearly.

Despite repeated attempts, before the hon. Member for South Derbyshire (Mrs Wheeler) took her place as Minister, to entice Housing Ministers into confirming the details of future funding, there has been no movement beyond the 2020-21 commitment, but we know that the Treasury has set aside around £500 million for 2021-22. Perhaps the Minister will be rather less coy than her predecessors and end this cloakaded performance, so that we can give clarity not only to the sector that provides the vital supported services but to the people who use them.

It has to be recognised that living in supported housing is not a choice. People go into supported housing out of necessity, because they have no other options available to them. I urge the Minister to be clear today and tell those people that there will be no cut in funding in the second year and no cut in funding in subsequent years. To fail again to provide certainty to this sector will only add to the delays in investment that the joint Committee report has shown are already happening.

The long-term impact of the delays will most likely be that the standards of accommodation will be lower, as the costs outstrip the benefits of ever-increasing and more demanding maintenance, and that fewer places will be available because new, more suitable accommodation will not be built. The Minister will be well aware from the contributions today that significant concerns remain about the moving of funding away from the welfare system to local authorities, meaning that funding will no longer be needs-led and no longer based on the right to help with housing costs for individuals. Nobody wants to see further financial risk burdens given to local authorities, which are already hard-pressed.

As has been mentioned—particularly by my hon. Friend the Member for Nottingham North (Alex Norris), who has been a champion of this issue—charities such as Women’s Aid have raised concerns that these reforms are incompatible with the way the national network of refuges operates around the country. As many Members have said, two thirds of women travel outside their local authority boundaries to seek refuge care. Indeed, on my last visit to my local refuge just before Christmas—it is run by the excellent Denise Farman, who works tirelessly for the women who seek her assistance there—I met women from right across the Yorkshire and Humber region. I know that previously they have come from much further afield as well. Funding based on local need simply does not make sense. The Government must commit to work with refuge providers to redesign a funding model that represents the reality of refuges.

The definition of short-term accommodation as being for up to two years, which my right hon. Friend the Member for Knowsley (Mr Howarth) mentioned before he had to leave, causes serious problems for the sector. The charity Rethink Mental Illness has said that these new funding levels will make mental health supported housing more insecure and result in fewer new supported housing services and more scale-backs or closures of current supported housing. Many of the cases that it deals with will now be classed as short term. Indeed, 50% of its supported housing services will now be classed as short term and subject to the new funding model.

We have to remember that the people in this accommodation have a range of conditions, with differences in severity and longevity and therefore very different timelines for moving out of supported housing. Does the Minister recognise the additional anxiety and stress that will be caused by adding this new ticking clock if those people are placed in what the Government term short-term accommodation? The Government must give serious thought to the views of groups such as Rethink Mental Illness and cutting the length of time that is considered short term. Let us accept that “short-term” is genuinely short. There seems to be a consensus across the House and throughout the supported accommodation sector that it takes 12 weeks to deal with emergency supported housing need, as well as universal credit and access to housing benefit.

Part of the logic in making these changes is the incompatibility of universal credit with extremely short-term supported housing. Surely, if the aim of universal credit is to encourage claimants to be independent by allowing them to manage their own housing costs, this proposal for short-term supported housing goes against the very principle of universal credit. My hon. Friend the Member for Sheffield South East made that point far more clearly than I just managed to.

Groups such as Riverside, the YMCA, St Mungo’s and the Salvation Army—the Salvation Army rarely comes out against any Government to suggest that things are not going well—have all said that managing housing costs in a supportive environment is a vital step in the transition to independent living for those in short-term supported housing, so removing this independence could lead to longer stays in supported housing. Rather than creating a new, complicated and cruelly structured system, surely the Government should look at how the universal credit system could be improved for those in short-term supported housing.

My hon. Friend the Member for Nottingham South (Lilian Greenwood) mentioned the lack of move-on accommodation for people who wish to leave short-term supported accommodation. She is absolutely right about that. I was interested to learn about the additional £50 million allocated for homelessness outside of London. It is obvious to everybody that there is an increase in visible homelessness and rough sleeping outside of London. Where is the funding that was earmarked for that? When will it be allocated?

I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for raising the issue of tenancy security. If people are not to be treated as individuals or have any of the tenants’ rights that they may well have relied on previously, with the money going to the organisation instead, we add the pressure of a lack of housing security. That is not something we should be encouraging within the supported accommodation sector.
I have a few more questions, which are in line with some of the questions posed by my hon. Friend the Member for Sheffield South East. What happens if a service does not receive a grant? My hon. Friend the Member for Dulwich and West Norwood referred to what might be considered less desirable accommodation—for ex-offenders, for example—which local authorities might not always be desperate to see more of in their area. Can the residents receive housing benefit? If a service has a grant for some but not all residents, can some still receive housing benefit? What will the Minister do to ensure that organisations that do not currently deal with local authorities and do not receive, for example, Supporting People funding do not fall through the gaps in the new system?

In a statement to the House in December, the then Housing Minister, the hon. Member for Nuneaton (Mr Jones), said that he was “confident that by working with the sector we can get this right.”—[Official Report, 21 December 2017; Vol. 633, c. 1317] But here we are, with significant representations from across the sector saying that this is not right. I urge the Government to recognise that the proposal is simply not working and quickly to develop a fit-for-purpose model that represents the reality of supported housing. The conclusion next week of the consultation gives the new Minister a perfect opportunity to take those necessary steps.

3.51 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): It is an absolute pleasure to serve under your chairmanship, Sir Graham. I thank everyone for their contribution; this has been a very wide-ranging conversation. I congratulate the right hon. Member for Birkenhead (Frank Field) and the hon. Member for Sheffield South East (Mr Betts) on securing this incredibly important debate on supported housing and on the work done on the issue by their Committees and, in particular, the Joint Committee.

May I start by saying how pleased I am to have been appointed the Minister responsible for housing and homelessness? I declare an interest, as my husband is a councillor on my local council, South Derbyshire District Council. I also extend my heartfelt thanks to my hon. Friend the Member for Nuneaton (Mr Jones) for his work on this very important issue, and wish him well in his new role.

Working towards a fair and equitable society is a priority for this Government and will be my priority. Supported housing plays a critical role in that. I know that from my own area, which has an excellent domestic abuse refuge, a wonderful older people’s housing village and specialist move-on accommodation for young people. We embrace such housing in South Derbyshire, and I am sure that many other places around the country do as well.

I am sure we all agree that supported housing is an invaluable lifeline for some of the most vulnerable people in our society. It helps many people to lead independent lives or to turn their lives around, and is a vital service for a country that works for all. Across England, more than 700,000 people live in supported housing at any one time. They range from vulnerable older people to individuals with learning disabilities and physical impairments, those at risk of domestic abuse, people who are homeless and many others. It is also an investment that brings savings to other parts of the public sector, such as health and social care.

It is imperative that we continue to support the most vulnerable in society and, as the Joint Committee identified, that we have a sustainable supported housing sector that is fit for the future. I am committed to ensuring that the funding model that underpins supported housing protects and boosts supply, and that it delivers positive outcomes and a good quality of life for those who depend on it.

As hon. Members will be aware, we published the “Funding Supported Housing” policy statement on 31 October. We have worked closely with providers of supported housing on our proposals and continue to do so. The recommendations made by the Communities and Local Government and Work and Pensions Committees were especially important to that. Our new funding approach has real benefits, many of which, I am pleased to confirm, align with the Joint Committee’s report. I remind hon. Members that we confirmed in the policy statement that we would not apply local housing allowance rates to tenants in supported housing or the wider social rented sector. In line with the Committee’s recommendation, we also announced that we would introduce the new approach from April 2020, rather than April 2019. That will ensure that vital support provided to vulnerable people is not interrupted or put in doubt, and that local government has time to implement the reforms. The Government remain committed to boosting the supply of supported housing—I am delighted to say that a second time.

Our announced model can be considered to meet different people’s needs in three respects. First, we will introduce a sheltered rent, for sheltered housing, within the welfare system. I am pleased to say that that is akin to the supported housing allowance recommended by the Committee. It is a type of social rent that will cap the amount that sheltered providers can charge for gross rent, including eligible service charges. We will work closely with the sector to set the limits at an appropriate level and, more generally, to protect provision and new supply. We will bring in existing supply at existing levels of rent and service charges. Again, we are ensuring that the service is there, at the right level.

Secondly, we said that long-term supported housing, such as permanent housing for people with learning or physical disabilities or long-term mental ill health, would remain in the welfare system. We will work with the sector to develop greater cost control. That is important; the public would expect us to do that.

Thirdly, we have taken on board the Select Committees’ recommendation that there should be a locally administered grant system for short-term accommodation. That will be introduced from April 2020. All short-term provision—for example, hostels and women’s refuges—currently funded by the welfare system will continue to be funded at the same level by local authorities in 2020.

Mr Betts: I think that there is a misunderstanding—shall I put it that way, Sir Graham? The Government have not taken on board the Select Committees’ recommendation, because the term “short term” has been moved. The recommendation actually talks about a mechanism for “very short-term accommodation”,...
the “emergency nature” of that provision and links to universal credit. That is not what the Government now propose.

Mrs Wheeler: I thank the hon. Gentleman for that intervention. I am happy to give him clarity and succour. The short-term supported housing will be funded at current levels in 2020-21 through the ring-fenced local grant funding, and funding will continue to take account of the costs of provision and projected future need. I have to state the obvious: budgets are not set for years beyond spending review settlements. Housing costs will be funded directly by local authorities through the ring-fenced grant. I know that the sector has concerns about the longevity of the ring fence, so I want to reiterate that we are committed to retaining that for the long term, as the Joint Committee also recommended.

Helen Hayes: On the point about the longevity of the ring fence, the Minister must surely recognise that the ring fence is only as secure as the Government of the day’s commitment to it. Even if the ring fence is somehow established in legislation, it can be overturned at the will of a subsequent Government. Could she please address the point, which is of grave concern across the sector, that a ring fence is not a secure way of assuring long-term funding for the sector?

Mrs Wheeler: I thank the hon. Lady for that intervention. I must stress again that no Government will put in place anything beyond a spending review period. It is not right or proper to do so. That is normal business.

Helen Hayes: I thank the Minister for giving way again, but she simply makes the point that the ring fence provides no long-term assurance to the sector. Does she agree that it is inherently a short to medium-term measure, and that the sector cannot therefore be guaranteed that the ring fence will be there for the long term, as she indicates is her intention?

Mrs Wheeler: I am afraid that the hon. Lady misunderstands me, because the long term will be ring-fenced with local authorities. The whole point about this is that we want to grow the supply of sheltered and supported housing accommodation, because the Government consider it very important in looking after the most vulnerable people in society in future. In the same vein, I reassure hon. Members that the amount of grant funding for this part of the sector to 2020 will continue to take account of the costs of provision, and growth of future provision.

Better oversight and value for money are an important part of our reforms. The Joint Committee was keen that there should be a set of national standards. We are consulting on a national statement of expectation, which will set out what we want good supported housing to look like.

We will work with local government on how it plans future provision in England as it assesses current and future need. Before implementation, we will issue more detailed guidance to support local authorities monitoring this provision in their area. We are carrying out a full new burdens assessment to identify how much additional administrative budget local authorities will need to deliver the new funding approach. We are working closely with local authorities and the Local Government Association to do that.

Under the short-term model, all funded provision will be commissioned by the local authority. This means providers will need to meet local authority quality standards. Furthermore, under the new model for sheltered and extra care, the social housing regulator will monitor compliance with this new system. We are empowering tenants by obliging providers to publish breakdowns of their service charges. Where tenants feel that these are unreasonable, they can take action. We also continue to work with the sector to identify ways to drive up standards, improve outcomes and share best practice.

I have mentioned a number of areas where our conclusions coincide with those of the Committee, but one recommendation on which we are not aligned is that on the creation of a bespoke model for refuges. We recognise how important that is, but we believe that a local approach will ensure the best outcome for domestic abuse services. This is because local authorities are best placed to understand their residents’ needs.

Melanie Onn: Does the Minister not accept the statistic, provided by Women’s Aid, that two thirds of women come from outside their local authority area?

Mrs Wheeler: From my experience, I know that many people move around and prefer to go to a refuge that is not next door. There is then a knock-on effect: that local authority takes on local housing, unless they later find somewhere else that the person in the refuge wants to go to. The effect of this is that all the way around the country, local authorities take their fair share, and they know that and work on that basis.

Sandy Martin: The Minister paints a picture of all constituencies having similar socioeconomic backgrounds, but women’s refuges are not evenly distributed; nor are hostels for young people or those with substance abuse issues. The Minister will probably find that the majority of such buildings and such provision is in urban areas. Rural parts of the country often rely on the provision in urban areas, yet do not financially contribute to it.

Mrs Wheeler: Without prolonging the conversation, I think the hon. Gentleman will find that certain areas in the west country have gone for an alternative model of safe houses and havens. It is not that there are not places for people to go; it is just done in a different way.

Our approach frees vulnerable women from meeting house costs themselves. It empowers them to focus on what matters most in repairing their life. However, I am aware that the quality of service varies significantly. This is why we are conducting a thorough review of domestic abuse services. Many of you have an interest in this, as do I. I ask that you encourage your local authorities, service providers and others to engage fully in the review. It will report to Ministers—that is, to me—this summer. I look forward to receiving those submissions and going through them personally. My hon. Friends Marcus Jones and Caroline Dinenage met several supported housing providers and representatives, as did Lord Best, Lilian Greenwood, Jess Phillips and Victoria Atkins, following the announcement of the funding model. Naturally, I look forward to continuing this engagement, and listening to and working with the sector.
I very much appreciate the time and work that Select Committee members have put into the “Future of supported housing” inquiry. I also value the opportunity to attend this debate and hear further views on the funding model. I am confident that our new proposals will offer certainty to providers, so that they can invest in new supply, particularly of sheltered and extra care housing, where demand is expected to grow. As was mentioned, Home Group has given the green light to funding for new supported housing schemes—a £50 million scheme is not a small scheme. However, we know that there is work left to do to achieve the best outcomes for the many who live in supported housing.

I want to thank the Joint Committee for its inquiry. There were so many areas of future work that we can agree on.

Peter Aldous: I am grateful to the Minister for summing up. The consultation finishes next week. Will she confirm that, in line with the previous consultation, her Department will listen very carefully and reflect on the proposals from providers? Will she also say on what sort of timetable she envisages her Department providing a response to that consultation?

Mrs Wheeler: Absolutely. Thank you: you have given me a great opportunity to mention one more thing. We have stressed so often today, and in the Government’s official response to the inquiry paper, that the consultation, which finishes next week, on Tuesday 23 January, gives us a real opportunity to go through everything for the summer. We will then be able to report back, but I am sure that there will be an opportunity to nail this much more quickly than that.

Again, I thank the Joint Committee for its inquiry. We agree on so many areas. I look forward to working with it on tweaks to make things safer across the whole country. I look forward to working with the devolved Administrations as well.

Mr Betts: This has been a wide-ranging, well informed debate. It is a great credit to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham) that they produced a report that not only commanded the wider support across the House and outside it, among providers and others. That has been absolutely clear.

At the beginning, I asked the Minister to address three fundamental issues. There is still a bit more work to do on how the cost controls over longer-term housing will be applied, and I am sure that we will continue to explore that. We have a difference on women’s refuges. It is not so much a matter of people choosing to go outside the area; they are often forced outside the area to a place where they have no local connection. That issue needs to be addressed nationally, and we need further discussion and debate on those matters of concern.

I come back to the issue of short-term accommodation. As I said, I had a briefing from St Mungo’s this morning and a phone call with Riverside, which has produced a joint briefing with the YMCA and the Salvation Army. The hon. Member for Waveney (Peter Aldous) rightly read out an even longer list of providers with concerns—a very long list. The Government have generally misunderstood or misinterpreted—at this stage I will say unintentionally—the recommendation about emergency accommodation. The words in the report were “very short-term accommodation”, but the Government have applied to all accommodation of less than two years, which is not right and not what the recommendation actually states. The National Housing Federation has been talking to all its members and puts the matter succinctly:

“The definition of short-term services in the consultation paper is very wide and this should be tightened so that it is clear that the local system covers short-term emergency accommodation where people stay for a period of weeks rather than months.”

Were the Government to say, “We’re changing the definition so that accommodation funded through the benefit system is extended to include all accommodation, except that for very short-term emergencies of up to 12 weeks, and that very short-term emergency accommodation will be funded through the ring-fenced grant”, we would give fairly unanimous support straightforward. I ask the Minister to go back and look again at that particular issue. It is of real concern to providers, and I think that the Government have simply got it wrong. There is no reason to take accommodation of a year, 18 months or even six months out of the welfare system. Short-term emergency accommodation should be the only accommodation funded by the ring-fenced grant. If the Minister would at least listen to that, take it away and consider it, and perhaps make the change, we could get a much better funding system.

Mrs Wheeler: I thank the hon. Gentleman for that, and am very glad he is putting that on the record, because it is important that we all talk about the same thing. We listened carefully to the views of the sector in the previous consultation and through the sector task and finish groups, which said that on balance, this timeframe reflects the nature of support provided and an individual’s journey and outcomes. We are, however, absolutely clear that we continue to listen, and will consider feedback in the current consultation. I hope that puts his mind at rest.

Mr Betts: It is helpful that the Minister is still listening. I obviously do not know who is on the task and finish group, but I do know the number of providers that are clearly raising concerns; the National Housing Federation encapsulated in one sentence, which I read out. If the Minister listens to that, reflects and makes the change that has been suggested, we will have a much better system—a system that the providers, in the widest sense, will be happy with, and that will encourage the new investment that we all want.

Sir Graham Brady (in the Chair): Before I put the question, I remind all Members that colleagues should be referred to not by name, but by constituency, and that they should be addressed in the third person. I did not want to break anybody’s flow during their speech, but I hope that is helpful.

Question put and agreed to.

Resolved.

That this House has considered the First Joint Report of the Work and Pensions Committee and the Communities and Local Government Committee. Future of supported housing, HC 867, Session 2016-17, and the Government response, Cm 9522.

4.11 pm

Sitting adjourned.
I recognise that China’s decision will cause some issues in the short term for recycling in the UK. We will continue to work closely with industry, the Environment Agency, local authorities and all interested parties to manage those issues. The Government remain committed to maximising the value we get from our resources, and is already assessing how we handle our waste in the UK in the longer term.

Tackling waste has been a top priority for the Government. In July, I announced in my speech at the World Wildlife Fund our intention to publish a new Resources and Waste Strategy later this year. The Clean Growth Strategy, published on 12 October 2017, set out our ambition for zero avoidable waste by 2050 and announced we are exploring changes to the producer responsibility scheme. In December I chaired an industry roundtable on plastics and outlined my four point plan for tackling plastic waste: cutting the total amount of plastic in circulation; reducing the number of different plastics in use; improving the rate of recycling; supporting comprehensive and frequent rubbish and recycling collections, and making it easier for individuals to know what goes into the recycling bin and what goes into general rubbish.

This builds on action the Government have already taken to reduce waste. Our 5p charge on plastic bags has taken 9 billion bags out of circulation, reducing usage by 83%. On Tuesday 9 January, our world-leading ban on the manufacture of personal care products containing plastic microbeads comes into force. In October 2017 we announced a call for evidence on managing single use drinks containers and our working group will report to Ministers early this year. We are working with HMT on a call for evidence in 2018 seeking views on how the tax system or charges could reduce the amount of single use plastics waste. And under the Waste Infrastructure Delivery Programme the Government will have committed £3 billion by 2042, supporting investment in a range of facilities to keep waste out of landfill and increase recycling levels.

China’s decision underlines the need for progress in all these areas. In particular, we must reduce the amount of waste we produce overall and in particular the amount we export to be dealt with elsewhere. We will set out further steps in the coming weeks and months to achieve these goals, including in our forthcoming 25 Year Environment Plan.

[HCWS391]

HEALTH

Employment, Social Policy, Health and Consumer Affairs (Health) Council

The Minister of State, Department of Health (Mr Philip Dunne): My hon. Friend the Parliamentary Under-Secretary of State for Health (Lord O’Shaughnessy) has made the following statement:

The Employment, Social Policy, Health and Consumer Affairs (Health) Council met on 8 December 2017 in Brussels. The UK was represented at the Health Council by Lord O’Shaughnessy, Parliamentary Under-Secretary of State for Health.

There were three main agenda items: the draft Council conclusions on health in digital society; the draft Council conclusions on the cross border aspects in alcohol policy; and pharmaceutical policy in the EU. There were a number of ‘any other business’ items.
The Council conclusions on both digital health and tackling the harmful use of alcohol were formally agreed and adopted at the Ministerial Health Council. On digital health the Commission welcomed the rapid implementation of the EU’s e-health infrastructure and clear public support for the sharing of health data. On cross border aspects of alcohol policy, the Commission highlighted their commitment to supporting member states’ efforts in tackling the harmful use of alcohol, acknowledging most powers are held at national level but emphasising commitment to deal with issues in a proportionate manner at EU level. The presidency and Commission acknowledged the recent ruling on Scotland’s minimum unit pricing policy and the UK Government stated they would closely watch implementation in Scotland and keep the policy in England under review. The UK welcomed the presidency’s work on alcohol policy, which needed to respect differences between circumstances in member states.

Under the ‘pharmaceutical policy in the EU’ agenda item, the Commission provided an update on current work including an evaluation of pharmaceutical incentives and proposals planned for 2018 on Health Technology Assessment (HTA). A number of member states outlined problems resulting in medicines shortages and the high prices of pharmaceuticals. The Netherlands and Belgium both outlined the benefits of the current BeNeLuxA initiative where member states could opt to work together on pharmaceutical pricing or on joint horizon scanning work.

As part of the AOBs, the UK thanked the Estonians for hosting the event in Brussels on AMR attended by Dame Sally Davies, UK Chief Medical Officer. Belgium spoke about medicinal products including Valproate and risks for pregnant women and whether pictograms should be used. There were also brief discussions on the state of health in the EU, the annual growth survey 2018, and the steering group on health promotion, disease prevention and management of non-communicable diseases.

Finally, Bulgaria outlined their priorities for their upcoming presidency in the area of health including healthy eating particularly for children and tackling challenges in pharmaceutical policy such as medicine shortages.

[HCWS393]

HOME DEPARTMENT

Surveillance Camera Commissioner: Annual Report

The Minister for Policing and the Fire Service (Mr Nick Hurd): My right hon. Friend the Home Secretary has today laid before the House a copy of the 2016-17 annual report of the Surveillance Camera Commissioner, as required by section 35 of the Protection of Freedoms Act 2012. The report is available from the Vote Office and will also be published on the Commissioner’s website.

The Surveillance Camera Commissioner is an independent role appointed under section 34 of the Protection of Freedoms Act 2012 to encourage compliance with the surveillance camera code of practice, review the operation of the code, and provide advice about the code (including changes to it or breaches of it).

The current Commissioner is Tony Porter, whose term of appointment is set until 10 March 2020.

[HCWS392]
Written Statement

Tuesday 9 January 2018

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Local Government

The Secretary of State for Housing, Communities and Local Government (Sajid Javid): For some time there have been concerns about financial management and governance at Northamptonshire County Council, and in recent months a number of reports have been published, which have led me to question whether the authority is failing to comply with its best value duty. Particular reports include the external auditor’s (KPMG) “adverse” value for money opinion in relation to the 2015-16 and 2016-17 accounts, publically available budget documents, and the September 2017 Local Government Association peer review into the council’s financial planning and management.

Having carefully considered the evidence available to me, I have today decided to exercise the powers granted to me by Parliament under the Local Government Act 1999 to appoint an inspector to carry out an inspection to better understand the authority’s compliance with its best value duty. The matters to be covered initially by the inspection will in particular relate to the authority’s corporate governance and financial management systems.

I have asked the inspector to report findings to me by 16 March 2018, or such later date as the inspector agrees with me.

This decision is not taken lightly. I hope it sends a strong signal that robust processes are in place to investigate allegations of failures in financial management and governance in local government.

I hope hon. Members will appreciate that we cannot be drawn into more detail while investigations are ongoing. Once the inspection is complete, I will carefully consider the inspection report. If it shows that the council is in breach of its best value duty I will then consider whether or not to exercise my powers of intervention under section 15 of the 1999 Act.

[HCWS394]
Written Statement

Wednesday 10 January 2018

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs (Trade): Post-Council Statement

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): The EU Foreign Affairs Council (Trade) met twice in Buenos Aires during the 11th ministerial conference of the World Trade Organisation (WTO).

The first meeting of the FAC (Trade) took place on 10 December before the formal opening of the WTO ministerial. The second meeting of the FAC (Trade) took place on 13 December just before the conclusion of the ministerial. At both meetings, the Council adopted conclusions. Both sets of conclusions are available as an attachment online.

At the ministerial conference WTO members committed to securing a deal on disciplining certain forms of fisheries subsidies by the end of 2019. They also committed to improve the reporting of existing fisheries subsidy programmes. In addition, Ministers decided to extend the practice of not imposing customs duties on electronic transmissions for another two years, and to continue negotiations in all areas. In addition, WTO members agreed to the creation of the working party on accession for South Sudan.

The ministerial met key UK objectives by setting the foundation for discussions on a number of new issues. A significant number of WTO members agreed to advance discussions on: digital trade, domestic regulation in services, SMEs, and investment facilitation. The UK will work closely with the EU and other WTO members to ensure that the momentum behind these initiatives is maintained in 2018.

At the 11th WTO ministerial conference, 118 WTO members adopted a joint declaration on trade and women’s economic empowerment, committing to promote women’s economic empowerment through trade. The UK supported this initiative.

Attachments can be viewed online at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-01-10/HCWS396/  

[HCWS396]
The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The UK has benefited from its membership of the European Atomic Energy Community since joining the EU and Euratom in 1973. The Government’s ambition is to maintain as many of these benefits as possible through a close and effective association with Euratom in the future, after the UK withdraws from Euratom, at the same time as withdrawing from the EU, on 29 March 2019. Our plans are designed to be robust so as to be prepared for a number of different scenarios including the unlikely outcome that there is no future agreement at all. Our No. 1 priority is continuity for the nuclear sector.

Since the 1950s, when the UK launched the world’s first nuclear power station, this country has been a leading civil nuclear country on the international stage, with deep nuclear research and nuclear decommissioning expertise, and with nuclear power playing a vital part in our electricity generation mix. It is vitally important that our departure from the EU does not jeopardise this success, and it is in the interests of both the EU and the UK that our relationship should continue to be as close as possible. We recognise and understand the concerns that the nuclear industry has raised. We agree it is essential that projects and investment are not adversely affected by the UK’s withdrawal from the EU, and can continue to operate with certainty.

To achieve this outcome, the Government’s strategy is twofold: through negotiations with the European Commission we will seek a close association with Euratom and to include Euratom in any implementation period negotiated as part of our wider exit discussions; and at the same time, to put in place all the necessary measures to ensure that the UK could operate as an independent and responsible nuclear state from day one.

Our strategy is therefore based on the following principles:
- to aim for continuity with current relevant Euratom arrangements;
- to ensure that the UK maintains its leading role in European nuclear research;
- to ensure the nuclear industry in the UK has the necessary skilled workforce covering decommissioning, ongoing operation of existing facilities and new build projects; and
- to ensure that on 29 March 2019 the UK has the necessary measures in place to ensure that the nuclear industry can continue to operate.

The Government have made good progress on separation issues in the last few months as part of phase one of negotiations with the EU. Negotiations have covered a set of legal and technical issues related to nuclear material and waste, and safeguards obligations and equipment. The next phase of discussions will focus on the UK’s future relationship with Euratom. We believe that it is of mutual benefit for both the UK and the EU to have a close association with Euratom and to ensure a future safeguards regime that will be equivalent in effectiveness and coverage to that currently provided by Euratom, including consideration of any potential role for Euratom in helping to establish the UK’s own domestic safeguards regime.

The UK’s specific objectives in respect of the future relationship are to seek:
- a close association with the Euratom Research and Training Programme, including the Joint European Torus (JET) and the International Thermonuclear Experimental Reactor (ITER) projects;
- continuity of open trade arrangements for nuclear goods and products to ensure the nuclear industry is able to continue to trade across EU borders without disruption; and
- maintaining close and effective cooperation with Euratom on nuclear safety.

We understand the importance to businesses and communities, including those in the nuclear sector, of being able to access the workforce they need. Proposals for our future immigration system will be set out shortly and we will ensure that those businesses and communities, and Parliament have the opportunity to contribute their views before making any decisions about the future system.

Whatever the outcome of the negotiations with the EU, it is vital that Government pursue all options for providing certainty for the civil nuclear industry that it will be able to continue its operations, including that the UK has a safeguards regime that meets international standards by the end of March 2019 and that necessary international agreements are in place. Such elements are not dependent on the EU negotiations and the UK Government are well advanced in delivering this plan.

The UK is: establishing a legislative and regulatory framework for a domestic safeguards regime—the Nuclear Safeguards Bill will, subject to the will of Parliament, provide legal powers for the Secretary of State to establish a domestic regime which the Office for Nuclear Regulation will regulate; negotiating bilateral safeguards agreements with the International Atomic Energy Agency; and putting in place bilateral Nuclear Co-operation Agreements with key third countries.

As set out by the Prime Minister, the UK Government are proposing a time-limited implementation period where we continue to have access to one another’s markets on current terms and take part in existing security measures. This implementation period would cover Euratom too. The exact nature of the period will be subject to forthcoming negotiations including on the issues outlined in this statement.

As discussions with the EU move onto the important issue of the future relationship, I shall report back every three months about overall progress on Euratom, covering the EU negotiations and other important matters covered in this statement, by way of further written statements to keep Parliament updated.

[HCWS399]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

25-year Environment Plan

The Secretary of State for Environment, Food and Rural Affairs (Michael Gove): It is this Government’s ambition to leave our environment in a better state than
we found it. We have made significant progress but there is much more to be done. The 25-year environment plan that we have published today outlines the steps we propose to take to achieve our ambition.

Environment is—at its roots—another word for nature, for the planet that sustains us, the life on earth that inspires wonder and reverence, the places dear to us we wish to protect and preserve. We value those landscapes and coastlines as goods in themselves, places of beauty which nurture and support all forms of wildlife.

Respecting nature's intrinsic value, and the value of all life, is critical to our mission. For this reason we safeguard cherished landscapes from economic exploitation, protect the welfare of sentient animals and strive to preserve endangered woodland and plant life, not to mention the greening of our urban environments.

But we also draw from the planet all the raw materials we need to live—food, water, air and energy for growth. So protecting and enhancing the environment, as this plan lays out, is about more than respecting nature. It is critical if the next generation is to flourish, with abundant natural resources to draw on, that we look after our and their inheritance wisely. We need to replenish depleted soil, plant trees, support wetlands and peatlands, rid seas and rivers of rubbish, reduce greenhouse gas emissions, cleanse the air of pollutants, develop cleaner, sustainable energy and protect threatened species and habitats.

Previous Governments, here and in other nations, have made welcome strides and driven environmental improvement. Yet as this 25-year plan makes clear, there is much more still to do. We must tread more lightly on our planet, using resources more wisely and radically reducing the waste we generate. Waste is choking our oceans and despoiling our landscapes as well as contributing to greenhouse gas emissions and sarring habitats. The success of the 5p plastic bag charge in reducing the use of carrier bags by 85% shows the difference which Government action can make, and demonstrates that protecting our environment is a job for each one of us. The plan outlines ways to reduce the use of plastics that contribute to pollution, and broader steps to encourage recycling and the more thoughtful use of resources. Over the lifetime of this plan, we want to eliminate all avoidable plastic waste.

The Government’s clean growth strategy—the sister document to this environment plan—sets out how we will deliver the clean, green growth needed to combat global warming. We will do what is necessary to adapt to the effects of a changing climate, improving the resilience of our infrastructure, housing and natural environment.

Population growth and economic development will mean more demand for housing and this Government are committed to building many more homes. However, we will ensure that we support development and the environment by embedding the principle that new development should result in net environmental gain—with neglected or degraded land returned to health and habitats for wildlife restored or created.

Most of our land is used, however, for agriculture not housing. The new system of support that we will bring in for farmers—true friends of the earth, who recognise that a care for land is crucial to future rural prosperity—will have environmental enhancement at its heart.

We will support farmers to turn over fields to meadows rich in herbs and wildflowers, plant more trees, restore habitats for endangered species, recover soil fertility and attract wildlife back. We will ensure broader landscapes are transformed by connecting habitats into larger corridors for wildlife, as recommended by Sir John Lawton in his official review. Our plan for a new northern forest, to which we are contributing more than £5 million, will be accompanied by a new review of national parks and areas of outstanding natural beauty. Planting more trees provides not just new habitats for wildlife—it also helps reduce carbon dioxide levels and can reduce flood risk. We will work with nature to protect communities from flooding, slowing rivers and creating and sustaining more wetlands to reduce flood risk and offer valuable habitats.

Beyond our coastlines, we must do more to protect the seas around us and marine wildlife. Leaving the EU means taking back control of the waters around these islands. We will develop a fishing policy that ensures seas return to health and fish stocks are replenished. We will also extend the marine protected areas around our coasts so that these stretches of environmentally precious maritime heritage have the best possible protection.

Internationally, we will lead the fight against climate change, invest to prevent wildlife crime, pursue a ban on sales of ivory, and strengthen partnerships to tackle illegal wildlife trade beyond borders, including investigating the feasibility of an anti-poaching taskforce.

We will underpin all this action with a comprehensive set of environmental principles. To ensure strong governance, we will consult on plans to set up a world-leading environmental watchdog, an independent, statutory body, to hold Government to account for upholding environmental standards. We will regularly update this plan to reflect the changing nature of the environment.

While this 25-year environment plan relates only to areas for which Her Majesty’s Government are responsible, we will continue to work with the devolved Administrations on our shared goal of protecting our natural heritage.

These actions will, we hope, ensure that this country is recognised as the leading global champion of a greener, healthier, more sustainable future for the next generation.

[HCWS398]

**EXITING THE EUROPEAN UNION**

**European Union (Withdrawal) Bill: Standing Orders**

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker): I am today placing in the Library of the House the Department’s analysis on the application of Standing Order No. 83L in respect of the amendments to the European Union (Withdrawal) Bill made at Commons Committee stage and of the amendments proposed by the Government for Report stage. These amendments do not change the conclusion of the original analysis in the Bill’s explanatory notes.

[HCWS400]
INTERNATIONAL TRADE

UK-India Joint Economic and Trade Committee

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): I am pleased to inform the House that I will be co-chairing the twelfth meeting of the UK-India Joint Economic and Trade Committee (JETCO) in London on Thursday 11 January with Shri Suresh Prabhu, Minister for Commerce and Industry.

The UK-India JETCO was established on 13 January 2005 to further develop the India-UK strategic economic partnership. India and the UK already enjoy a strong bilateral relationship, and both sides take a mutual interest in enhancing the competitiveness of the two economies. Bilateral trade between the UK and India has grown over the last ten years and was £15.4 billion in 2016. We also have strong investment links; the UK has been the largest G20 investor in India over the last 10 years and Indian companies operating in the UK account for around 110,000 jobs. At the last UK-India JETCO, in November 2016, I agreed with my co-chair to establish a Joint Trade Review, a collaborative analytical project, that will evaluate the range of ways we can strengthen the UK-India trade relationship and remove barriers, both at present and as we leave the EU.

The twelfth meeting of the JETCO will be a key opportunity to further strengthen our relationship with an important and close trade and investment partner. The meeting will be supported by business working groups on smart cities and technology, advanced manufacturing and engineering, and will receive an update on the UK-India Joint Trade Review from my officials and the Indian Ministry of Commerce and Industry. We will also welcome increased support from the UK’s official export credit agency, UK Export Finance, for trade with India, of up to £4.5 billion. This will provide an additional £2.75 billion in support for UK companies exporting to India and for Indian buyers of UK goods and services, and be available in Indian rupees. The meeting will also be an important milestone towards the Commonwealth Heads of Government Meeting in April, from which we expect to give greater impetus to intra-Commonwealth trade. A joint statement will be released on Thursday 11 January to report on the outcomes of the JETCO.

[HCWS397]
Written Statements

Monday 15 January 2018

TREASURY

Tax-free Childcare Roll-out: Update

The Chief Secretary to the Treasury (Elizabeth Truss):
In April 2017 the Government launched tax-free childcare, which helps working parents with the cost of childcare with up to £2,000 of support per child. Today we will open the scheme to parents whose youngest child is under nine, or who turn nine today. We will be opening the scheme to all remaining eligible families on 14 February. This means all eligible parents will be able to apply for tax-free childcare before the end of this financial year.

The Government are giving more help with the cost of childcare to working parents than ever before. We introduced tax-free childcare in April 2017, and have doubled the free childcare available to working parents of three and four-year-olds to 30 hours a week. In 2019-20 we will be spending around £6 billion on childcare support—a record amount of support.

Since opening the childcare service, through which parents apply for 30 hours free childcare and tax-free childcare, more than 325,000 customers have successfully applied and are now using the service. Of these, more than 295,000 parents are eligible for 30 hours free childcare. Over 170,000 have a tax-free childcare account and we have begun activity to further raise awareness of tax-free childcare. We want to encourage more parents to take up the offer they are entitled to.

[HCWS401]

DEFENCE

War Pensions Scheme Uprating 2017

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood):
The new rates of war pensions and allowances proposed from April 2018 are set out in the tables below. The annual uprating of war pensions and allowances for 2018 will take place from the week beginning 9 April. Rates for 2018 are increasing by 3.0% in line with the September 2017 consumer prices index.

[HCWS402]
EU-Africa relations

In a joint session with Foreign and Development Ministers, Ministers underlined the importance of the EU-Africa summit and the need to continue working with African partners in an inclusive way.

Development—aid for trade

The Council discussed the updated strategy on aid for trade which aims to improve the integration of developing countries into the international trading system and to enable trade and investment to contribute to reducing poverty.

Ministers agreed a number of measures without discussion:

- The Council adopted a decision establishing permanent structured co-operation (PESCO);
- The Council adopted conclusions on DRC;
- The Council adopted conclusions on Thailand;
- The Council extended sanctions against the DRC
- The Council agreed rules of procedure for the joint committee established by the co-operation agreement on partnership and development between the European Union and Afghanistan;
- The Council adopted a decision to support the global reporting mechanism on illicit small arms and light weapons and other illicit conventional weapons and ammunition to reduce the risk of their illicit trade (“Trace III”);
- The Council took note of the 19th annual report on EU exports of military technology and equipment;
- The Council decided to provide support to the African, Asia-Pacific and Latin America and Caribbean regions to participate in the high-level fissile material—such as highly enriched uranium or plutonium—cut-off treaty expert preparatory group consultative process;
- The Council approved a draft EU-China statement on climate change and clean energy;
- The Council adopted conclusions on the European Court of Auditors’ special report on the Bekou EU trust fund;
- The Council adopted conclusions on the 2016 report on the gender action plan II.

National Action Plan on Women, Peace and Security

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): Today marks the publication of the UK's fourth National Action Plan on Women, Peace and Security (2018-2022) by the Foreign and Commonwealth Office, the Department for International Development and the Ministry of Defence, with support from the stabilisation unit.

The National Action Plan (NAP) is the UK Government's five-year strategy that captures how we will meet our women, peace and security (WPS) commitments under UN Security Council Resolution 1325, demonstrating how we will ensure better protection and empowerment of women in conflict situations overseas through our diplomatic, development and defence engagements alongside our bilateral and multilateral partners.

The UK is a global leader on women, peace and security, taking the lead on drafting resolutions on this issue in the UN Security Council. In 2017 the FCO's first ever special envoy for gender equality was appointed as part of wider UK ambition to eliminate all forms of gender inequality. The UK has continued work to increase women's participation in conflict resolution in some of...
the most fragile countries in the world, including in Afghanistan, Somalia, and Syria. Along with Bangladesh and Canada, the UK launched the Women, Peace and Security Chief of Defence Network at the UN Peacekeeping Ministerial Conference in Vancouver in November 2017. The promotion of women in mediation in conflict resolution and countering violent extremism will continue at the Commonwealth Summit and beyond.

The UK continues to tackle gender-based violence, particularly violence against women and girls as the most prevalent form of gender-based violence. We continue to champion the preventing sexual violence in conflict initiative to end sexual exploitation and abuse, working closely with our international partners.

This NAP has been developed based on lessons learned from the previous three UK NAPs, extensive consultation and new research and evidence on WPS. Key changes are:

The NAP covers a longer, five-year period, enabling greater opportunity for the UK and implementing partners to demonstrate impact against our long-term objectives and outcomes.

The NAP provides a vision of what the UK wants to achieve on WPS, not a fixed country-level implementation plan. This will enable us to respond flexibly to local realities and changes in the contexts, and to adapt programmes and activities to global and local developments.

We have set out seven strategic outcomes, linked to the four pillars of UNSCR 1325, where the UK can demonstrate a comparative advantage and expect to see real progress over this period.

We have retained inclusion of focus countries, recognising that this helps the UK to raise issues and work in partnership with governments, and to improve domestic and international visibility. We have increased the number from six to nine. They are: Afghanistan, Burma, Democratic Republic of Congo (DRC), Iraq, Libya, Nigeria, Somalia, South Sudan and Syria.

The NAP 2018-22 sets out more clearly how it fits with wider HMG policies and strategies to ensure complementarity with other Government efforts.

We are grateful to the all-party parliamentary group on women, peace and security for their active engagement on this important issue and would, in particular, like to thank Baroness Hodgson for her dedicated work in this area. We would also like to thank the civil society network, Gender Action for Peace and Security (GAPS), and the LSE Centre for Women, Peace and Security for the contribution they have made to the process of revising the NAP.

We will continue to consult with Parliament and civil society, including through the annual report on progress on the implementation of the NAP. The FCO will convene a new WPS steering group, chaired by Lord Ahmad, to bring together NGOs and academics with senior officials to provide accountability and leadership on this agenda. We will commission an external evaluation for a mid and end of term assessment of how the strategic outcomes have been included through HMG’s planning and delivery processes.

A copy of the NAP has been placed in the Libraries of both Houses, and is available on gov.uk.

It can be viewed online at: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-01-16/HCWS404/.

HOME DEPARTMENT

ETIAS Watchlist

The Minister for Policing and the Fire Service (Mr Nick Hurd): The Government have decided not to opt-in to the proposal for a Regulation amending Regulation (EU) 2016/794 for the purpose of establishing a European Travel Information and Authorisation System (ETIAS) watchlist.

As the UK does not participate in ETIAS itself, we do not expect to have direct access to the watchlist through this process. The Government also note that there are a number of issues still to be resolved with regard to how the watchlist will be hosted by Europol and how it will function. As such, it is not clear whether opting in could place any additional obligations on the UK. For these reasons, the Government have decided not to opt in to the amending regulation at this time.

Not opting in will not affect the operability of the Europol regulation for the UK.
Written Statements

Thursday 18 January 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Departmental Contingent Liability Notification: HM Land Registry Digital Mortgage Service

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Today I will lay before Parliament a departmental minute describing a new digital mortgage service, to be launched by HM Land Registry (HMLR) in 2018, and a resulting contingent liability.

It is normal practice when a Government Department proposes to undertake a contingent liability of £300,000 and above, for which there is no specific statutory authority, for the Department concerned to present Parliament with a minute giving particulars of the liability created and explaining the circumstances. It is also normal for the Department to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the minute, except in cases of special urgency.

HMLR’s new digital mortgage service will enable borrowers to sign mortgage deeds digitally, speed up the re-mortgage process and improve the customer experience. A new liability risk arises with this service because HMLR will certify the identity of a borrower when that person provides a digital signature in advance of registration. This liability sits outside of the scope of HMLR’s existing statutory compensation scheme (schedule 8, Land Registration Act 2002).

The risk of the new liability occurring is considered low. The new process, where the borrower’s identity has to be verified through GOV.UK Verify combined with HMLR’s independent security processes, should in fact reduce the overall risk of fraud. To date GOV.UK Verify has not identified a single example of fraud despite in excess of 1.25 million citizens’ accounts having been created using the GOV.UK Verify service.

As with the existing indemnity, any costs incurred from this extension will be covered by HMLR’s resources as a trading fund.

Subject to no objections being received, I intend to authorise the proposal to undertake contingent liability for the digital mortgage service, after the usual 14 parliamentary sitting days.

The Government will be taking further steps to improve the home buying and selling process, following the publication last year of a call for evidence.

[HCWS409]

DEFENCE

UK Military Support

The Secretary of State for Defence (Gavin Williamson): I wish to inform the House of the Government’s intent to deploy three CH-47 Chinook heavy lift helicopters to Mali to provide logistical support to French operations in the Sahel region, following French requests for additional support for Operation Barkhane. This deployment forms an important element of our agreement at the Sandhurst Summit to work more closely with the French to counter terrorism and instability in the Sahel, and strengthen our co-operation in this region. We will continue to co-ordinate the deployment with the French and update the House in due course.

[HCWS413]

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council: 22 January

The Minister for Europe and the Americas (Sir Alan Duncan): I will attend the Foreign Affairs Council on 22 January. The Foreign Affairs Council will be chaired by the High Representative of the European Union (EU) for Foreign Affairs and Security Policy (HRVP), Federica Mogherini. The meeting will be held in Brussels.

The agenda for the Foreign Affairs Council (FAC) is expected to include a breakfast with the president of the European Investment Bank as well as discussions on the post-Cotonou agreement, Libya and the middle east peace process (MEPP). There will be a lunch with the President of the Palestinian National Authority (PA), Mahmoud Abbas.

The HRVP is expected to cover Iran, conclusions on Iraq, Zimbabwe, the integrated approach of the EU global strategy and EU priorities at the Council of Europe in her introductory remarks.

Post-Cotonou

Ministers will discuss developments in the negotiations on a post-2020 agreement with the Africa, Caribbean and Pacific countries (ACP) which will replace the current Cotonou agreement.

Libya

The EUVP will debrief on the outcomes from the European Union-African Union-United Nations (EU-AU-UN) taskforce meeting that took place on 14 December and outline the next steps. A substantial discussion on Libya will follow covering politics, migration, counter-terrorism and common security and defence policy. Ministers will discuss the latest political developments, including obstacles in the peace process, perhaps with particular reference to the challenges facing the UN Special Representative Ghassan Salame.

We will be encouraging EU members to continue supporting the UN-led process and will continue to offer our support to the EU-AU-UN taskforce.

MEPP

Ministers will host Palestinian President Abbas for a lunch and discuss prospects for the MEPP, including longstanding EU support for a negotiated two-state solution and EU support for Palestinian reconciliation.

Council conclusions

The FAC is expected to adopt conclusions on Iraq, Zimbabwe and the integrated approach of the EU global strategy.

[HCWS408]
HEALTH AND SOCIAL CARE

Health Technology Update

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): On Monday 15 January 2018 EMIS Group plc (EMIS) notified NHS Digital regarding under-reporting of issues with their general practice clinical systems provided under the General Practice Systems of Choice (GPSoC) contract.

The Department of Health and Social Care was informed by NHS Digital, which manages the contract, on Tuesday 16 January. EMIS has today informed the London Stock Exchange of this matter.

EMIS’s chief medical officer has confirmed that an internal clinical safety review found no issues of concern. A review by NHS Digital’s clinical safety team has found no evidence that patient safety has been put at risk.

NHS Digital is conducting a detailed investigation to establish both the cause and accountability for the under-reporting with the full co-operation of EMIS. Any settlement or other actions will be dependent on the outcome of this process. NHS Digital will also consider what lessons can be learned more widely.

I will provide a further update to Parliament once this important work is complete.

[HCWS406]

HOME DEPARTMENT

Criminal Finances: EU Directive on Fraud and Counterfeiting

The Minister for Security and Economic Crime (Mr Ben Wallace): The Government have decided that the UK will not opt in to the directive on combating fraud and counterfeiting of non-cash means of payment.

The UK’s domestic legislation is already compliant with the majority of the directive’s measures, and in relation to the offences and sentences set out in the directive, the UK goes further than the standards set within the directive for:

- The effective co-operation for the fraudulent use of payment instruments, and;
- The preparatory offences, the use of information systems and other tools to support fraudulent use.

Following careful consideration we have concluded that there would be no benefit to the UK opting in to this measure.

The UK strongly supports international efforts to tackle fraud. The UK works closely with other EU member states and will continue to do so despite the decision not to opt in. The UK has consistently advocated that international co-operation is required to tackle fraud, and we are committed to supporting member states, and other countries, in this regard.

[HCWS410]

Terrorism Prevention and Investigation Measures

The Secretary of State for the Home Department (Amber Rudd): Section 19(1) of the Terrorism Prevention and Investigation Measures Act 2011 (the Act) requires the Secretary of State to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of her TPIM powers under the Act during that period.

The level of information provided will always be subject to slight variations based on operational advice.

| TPIM notices in force (as of 30 November 2017) | 7 |
| TPIM notices in respect of British citizens (as of 30 November 2017) | 6 |
| TPIM notices extended (during the reporting period) | 2 |
| TPIM notices revoked (during the reporting period) | 0 |
| TPIM notices revived (during the reporting period) | 0 |
| Variations made to measures specified in TPIM notices (during the reporting period) | 10 |
| Applications to vary measures specified in TPIM notices refused (during the reporting period) | 0 |
| The number of current subjects relocated under TPIM legislation (as of 30 November 2017) | 7 |

The TPIM Review Group (TRG) keeps every TPIM notice under regular and formal review. The most recent TRG meetings took place on 4, 6, 26 and 27 September. The next round of TRGs will take place during December 2017.

On 11 October 2017 a TPIM subject was sentenced to 16 months’ imprisonment following an earlier guilty plea to two breaches of the association measure of the TPIM notice.

The case of Secretary of State for the Home Department v. LF [2017] EWHC 2685 (Admin) was heard at the High Court between 17 and 21 July 2017. In a judgment dated 30 October 2017 Mrs Justice Laing upheld the Secretary of State’s decision to impose a TPIM notice on LF. In the same judgment Mrs Justice Laing ordered a minor variation to LF’s police reporting requirement. This judgment can be found at www.bailii.org/ew/cases/EWHC/Admin/2017/26855.html.

[HCWS411]

JUSTICE

Her Majesty’s Courts and Tribunals Service

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): Together with the senior judiciary, the Government are committed to modernising the justice system. HM Courts and Tribunals Service’s long-term reform programme is already delivering benefits by making access to justice quicker and easier while ensuring fairness. HM Courts and Tribunals Service’s £1 billion reform programme is ambitious, ensuring justice is accessible but proportionate and making use of the technology available in the modern world. It will provide modern IT and processes, and focused services to support those who require court services. It covers all jurisdictions.
and touches every aspect of the system, including making more effective use of its physical places, spaces and buildings.

Courts and tribunals estate

It is important that when the programme of reform is complete we have the right buildings in the right places that can take full advantage of the opportunities that modernisation brings. They should be flexible, efficient and offer the best possible environment for those who seek justice, and our approach should reflect the greater use of digital services.

I am, today, announcing the publication of six separate, but related, consultations about the HM Courts and Tribunals Service estate.

Consultation on future estates strategy

The first consultation, “Fit for the future: transforming the courts and tribunals estate”, provides an outline of reform activities which are either under way or planned. It outlines the three core principles behind our approach—ensuring access to justice, providing value for money for the taxpayer and ensuring efficiency in the long term—and a proposed approach to future consultations on changes to the estate as HMCTS reform initiatives deliver results.

Consultations on court closure proposals

While consideration of the demands on the courts and tribunals estate in the context of reform is important, we also need to assess the existing estate to make sure it is efficient and offers value for money to taxpayers now. To this end, a key consideration in management of the estate is that we only operate buildings that we need, eliminating duplication and overlapping service provision, with the savings recycled back into the reform programme.

I am therefore today announcing five separate consultations on proposals to close eight courts. These proposals are being made under the existing courts and tribunals estates principles and current processes and workloads.

The courts are:

- Banbury magistrates’ and county court and Maidenhead magistrates’ court (in a single consultation for the court estate in the Thames valley),
- Cambridge magistrates’ court,
- Chorley magistrates’ court and Fleetwood magistrates’ court (in a single consultation for the court estate in Lancashire),
- Northallerton magistrates’ court, and
- Wandsworth county court and Blackfriars Crown court (in a single consultation for the court estate in London).

All consultations will begin on 18 January 2018 and run for 10 weeks. A response to the consultations will be published following proper consideration of all views submitted.

A copy of the consultation documents will be placed in the Libraries of both Houses.

[HCWS412]

WORK AND PENSIONS

Diffuse Mesothelioma Payment Scheme Levy 2017-18

The Minister for Disabled People, Health and Work (Sarah Newton): The Diffuse Mesothelioma Payment Scheme (Levy) Regulations 2014 require active employers’ liability insurers to pay an annual levy based on their relative market share for the purpose of meeting the costs of the diffuse mesothelioma payment scheme (DMPS). This is in line with the commitment by the insurance industry to fund a scheme of last resort for sufferers of diffuse mesothelioma who have been unable to trace their employer or their employer’s insurer.

I can announce today that the total amount of the levy to be charged for 2017-18, the fourth year of the DMPS, is £33.5 million. The amount will be payable by active insurers by the end of March 2018.

Individual active insurers will be notified in writing of their payment amount (i.e. their share of the levy), together with how the amount was calculated and payment arrangements. Insurers should be aware that it is a legal requirement to pay the levy within the set timescales.

I am pleased that the DMPS has seen three successful years of operation, assisting many sufferers of diffuse mesothelioma. The third annual report for the scheme was published on 30 November 2017 and is available on the gov.uk website. I hope that members of both Houses will welcome this announcement and give the DMPS their continued support.

[HCWS407]
The Secretary of State for the Home Department (Amber Rudd): The UK and France share a special relationship. The operation of juxtaposed controls, provided for by bilateral agreements, is an essential element of our border strategy. Since the juxtaposed controls were introduced, the number of asylum claims made in the UK has decreased dramatically. Before the controls were in place, asylum claims reached over 84,000 a year, three times higher than the 26,617 claims in 2016-17. The reduction in claims we have seen has significantly reduced the impact on public services and the UK taxpayer—with every reduction by 10,000 asylum claims saving the UK at least £70 million in costs.

Juxtaposed controls play a hugely important role in protecting our national security and have significant economic value for both the UK and France—creating a smooth border and making trade more efficient. Having UK border controls based in France allows Border Force officers to check passengers and freight destined for the UK in France, ensuring we can take action against illegal migrants, those trying to smuggle people into the UK and criminals attempting to bring illegal goods into the country, before they reach British soil.

Yesterday, we signed a supplementary agreement that demonstrates the UK and France’s long-term commitment to the future of the juxtaposed controls, recognising that they are in the common interest. This treaty with France—the treaty between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic concerning the reinforcement of co-operation for the co-ordinated management of their shared border, recognising the importance of cooperation at the juxtaposed controls—is established to sit alongside the Le Touquet and Canterbury treaties and will come into force on 1 February 2018. In securing the future of juxtaposed controls in this way we are able to strengthen operational co-operation, both in northern France and further upstream, to reduce the illegal flows into France. The treaty will not affect the operation of our juxtaposed controls, but demonstrates the UK and France’s long term commitment to their successful operation, and secures some of the mechanisms that we need to further strengthen our joint capabilities to prevent the formation of any new migrant camps.

Building on the successful co-operation of the clearance and relocation of the migrant camp in Calais in 2016, the UK and France have now agreed a comprehensive “whole of route” approach to migration. The aim is to reduce the number of migrants making the dangerous and illegal journey to northern France and manage the pressure on our shared border from those who do travel. The elements are to:

- work to ensure that migrants who have travelled illegally to Northern France are able to quickly claim asylum in France so we can meet our international obligations.
- Our co-operation with France on migration and our shared border is a long-term commitment. Just as we invest in our borders around the rest of the UK, it is only right that we constantly monitor whether there is more we can be doing at the UK border controls in France and Belgium. Signing the treaty yesterday ensures a continuation of operational co-operation in a number of ways. It reaffirms both parties’ commitments to the operation of procedures for determining the member state responsible for an asylum claim under the Dublin III Regulation. It establishes a new co-ordination centre for operational co-operation at our shared border and strengthens co-operation on returns. It sets up a strategic dialogue and commits both countries to working towards joint practical measures in countries upstream, further demonstrating our commitment and leadership on this agenda. These practical measures will help to reduce flows to northern France and underpin our joint commitment to fight modern slavery and human trafficking.

In addition, the UK and France recognise their humanitarian responsibilities towards unaccompanied asylum-seeking and refugee children. In 2016, the UK transferred over 750 unaccompanied minors from France as part of our comprehensive support for the Calais camp clearance. We have also announced a number of further measures in respect of unaccompanied asylum-seeking and refugee children:

- France, Greece and Italy will now be able to refer unaccompanied children who arrived in Europe before 18 January 2018 to the UK under section 67 of the Immigration Act 2016. The Government had previously insisted on the previous eligibility date of 20 March 2016 to avoid establishing an open-ended relocation scheme from Europe, as this would increase the pull factor that puts children’s lives at risk. After extensive discussion with France, Greece and Italy, we have agreed to amend the eligibility date on an exceptional basis to ensure we can transfer the circa. 260 remaining unaccompanied children and meet our obligation under section 67 of the Immigration Act 2016. Over 220 children are already here and we are fully committed to transferring the specified number of 480 children as soon as possible, in line with our published policy. The specified number of 480 under section 67 of the Immigration Act 2016 remains unchanged following the UK France Summit.
- The allocation of a £3.6 million development fund, as part of the UK’s overall £45.5 million funding commitment, which the UK intend to use to work with France to identify projects which support genuine claims through the Dublin process and ensure that those with no prospect of transferring to the UK are informed of their options.
- The strengthening of co-operation with France on the operation of the Dublin Regulation, including shorter timescales for decisions and transfers. These commitments apply whilst both the UK and France are participants in the Dublin Regulation.
The deployment of a UK Liaison Officer to France by 1 April 2018.

The Government have not agreed to any new obligations to take more unaccompanied children from Europe. The commitments set out in the treaty and this written statement will improve joint working with France and support the delivery of existing obligations.

The deal that we have done yesterday recognises the importance of the juxtaposed controls for both the UK and France, and seals confirmation by President Macron to ensuring that we work together to operate them as efficiently as possible, and sets up a new phase of co-operation that will enable us to break the cycle of camps forming in northern France.

We have a shared interest in co-operating with France on our whole of route approach to migration and the commitments set out at the UK France Summit, and in this written statement further underline the value of our enduring strategic relationship.

WORK AND PENSIONS

Welfare

The Secretary of State for Work and Pensions (Ms Esther McVey): Supporting people with mental health conditions is a top priority for this Government. We are committed to ensuring our welfare system is a strong safety net for those who need it. That is why we spend over £50 billion a year supporting people with disabilities and health conditions—more than ever before.

Disabled people and people with health conditions, including mental health conditions, deserve the very best support. Personal independence payment (PIP) replaced the out dated disability living allowance (DLA) system, with 66% of PIP recipients with mental health conditions receiving the higher rate of the benefit, compared with just 22% under DLA.

On 21 December 2017 the High Court published its judgment in the judicial review challenge against regulation 2(4) of the Social Security (Personal Independence Payment) (Amendment) Regulations 2017 S.I. 2017/194. The regulations reversed the effect of the upper tribunal judgment in MH.

I wish to inform the House that, after careful consideration, I have decided not to appeal the High Court judgment. My Department will now take all steps necessary to implement the judgment in MH in the best interests of our claimants, working closely with disabled people and key stakeholders over the coming months.

Although I and my Department accept the High Court’s judgment, we do not agree with some of the detail contained therein. Our intention has always been to deliver the policy intent of the original regulations, as approved by Parliament, and to provide the best support to claimants with mental health conditions.

The Department for Work and Pensions will now undertake an exercise to go through all affected cases in receipt of PIP and all decisions made following the judgment in MH to identify anyone who may be entitled to more as a result of the judgment. We will then write to those individuals affected, and all payments will be backdated to the effective date in each individual claim.

I hope that by making this statement it is clear that the Government are committed to improving the lives of people with mental health conditions.
Petitions

Monday 8 January 2018

OBSERVATIONS

EDUCATION
Funding for young people in Devon

The petition of residents of the constituency of Newton Abbot,

Declares that each pupil in Devon received £290 less than the national average; further that Conservatives in Devon believe this is not right; and further that the recent Government consultation was flawed and did not improve the situation.

The petitioners therefore request that the House of Commons urges the Government to increase the funding for the young people of Devon.

And the petitioners remain, etc.—[Presented by Anne Marie Morris, Official Report, 24 October 2017; Vol. 630, c. 271.]

[Pet002067]

Observations from the Minister for School Standards (Nick Gibb):

We announced the final details of the national funding formula for schools and high needs on 14 September. This followed two consultations on the principle of the formulae (in March 2016) and the full details of the formulae, including illustrative allocations for schools and local authorities (in December 2016). Under our December proposals, some schools would have received less funding as a result of the national funding formula for schools. Schools in the Newton Abbot constituency would have lost 0.3% on average under the proposals set out in December.

In July we announced an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20, in addition to the schools budget set at Spending Review 2015. This allowed us to make the following changes to the formula for schools:

Increase the basic amount of funding every pupil attracts through the formula;

Providing a cash increase in respect of every school and every local area from April 2018. Final decisions on local distribution will be taken by local authorities, but under the national funding formula every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-20, compared to its baseline; and

Introducing a minimum per pupil funding level. Under the national funding formula, in 2019-20 all secondary schools will attract at least £4,800 per pupil, and all primary schools will attract at least £3,500 per pupil. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600, and primary schools £3,300.

As a result of these changes, under the final national funding formula, schools in Newton Abbot would gain 2.4% if the formulae were fully implemented (based on 2017-18 data).

Schools in Devon local authority are currently funded £218 per pupil below the national average—Devon schools receive on average £4,281 per pupil, compared to the national average of £4,499. This makes Devon the 112th highest funded local authority (out of 150, where 1 is the highest funded). It is not the intention of the NFF to ensure that every school receives an identical level of funding per pupil. The NFF directs more resources towards areas that face greater challenges, or higher costs in educating pupils. Under the NFF, Devon schools will continue to be funded at lower than the national average. If the formula were fully implemented, and based on 2017-18 data, schools in Devon would receive on average £4,429 per pupil, compared to the national average of £4,657—a difference of £228 per pupil. This is largely because Devon schools are, on average, significantly less deprived than schools elsewhere in the country. For example, 21% of primary pupils in Devon and 20% of secondary pupils live in deprived areas (as defined by the Income Deprivation Affecting Children Index) compared to the national average of 46% and 43% respectively.

WORK AND PENSIONS

Women against state pension inequality

The petition of Glasgow East Constituency,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the petitioners remain, etc.—[Presented by David Linden, Official Report, 14 November 2017; Vol. 631, c. 336.]

[Pet002077]

Observations from the Secretary of State for Work and Pensions (Mr David Gauke):

In 1995, after two years of debate in Parliament and following public consultation, the Government brought in a law to equalise men and women's State Pension age (SPa). This increased the earliest age when a woman could claim SP from 60 to 65. The Government planned for the original change to take place over 10 years between 2010 and 2020.

However, life expectancy is rising. The Government recognised they needed to make further changes to keep the SP affordable. In 2011 they introduced another law to equalise men and women's SPAs more quickly. The 2011 law also brought forward the increase in everyone's State Pension age from 65 to 66 by five and a half years.

The Government's original plan was to increase women's SPAs by up to two years, so that men and women's SPAs would equalise in November 2018 rather than in October 2020. The Government listened to concerns, and looked to see if they could reduce the effect of the planned SPa increases. As a result they agreed to reduce the increase in women's SPAs to no more than 18 months, compared to the original 1995 timetable. This benefited almost a
quarter of a million women who would otherwise have waited up to two extra years to claim their SP. This change cost £1.1 billion.

The Government did provide notice of the 1995 changes. Letters were sent to women born between 6 April 1950 and 5 April 1953 from April 2009 to March 2011 informing them of State Pension changes. Those affected by the changes to the law in 2011 were written to between January 2012 and November 2013.

The Government have done lots to improve pensions for everyone, particularly women. Future women pensioners will benefit on average from a higher new SP payment, and from the expansion of automatic enrolment. A woman retiring today can still expect to receive the SP for almost three years longer than men. If SPs had not been equalised, women would spend on average over 40% of their adult life in retirement.

Other possibilities have been considered. All would cost working people a significant amount. Reversing the 2011 SP changes would cost over £30 billion, while returning to a female SP of 60 would cost over £70 billion by 2020-21 (with £38 billion needing to be found before April 2018 alone). Going back on these changes could also create a new inequality between men and women.

Further changes to SPs are not justified, given the need to use public money to help those most in need.

The Government are helping older people remain in and return to work. The number of older women in work is now at a record high. There are more than 900,000 more women aged over 50 in work than in 2010. The average age of exit for women is currently 63.6—well above the previous women’s SPs of 60.

Our “Fuller Working Lives Strategy: A Partnership Approach”, published in February 2017, aims to help older workers remain or return to employment, and to change employer’s attitudes.

Government have changed the law to create the right support for our Fuller Working Lives strategy. For example it is now against the law to dismiss someone from their employment just because they reach the age of 65. Employees also have the right to request flexible working as long as they have worked continuously for the company for six months. This means people can agree a work pattern to suit their circumstances.

The Government also support vulnerable people. They spend around £50 billion a year on benefits to support disabled people and people with health conditions, while also providing support to carers through the payment of Carers Allowance.

Since 1995 the Government have gone to significant lengths to communicate SP changes.

Over the last 17 years the Department for Work and Pensions (DWP) has provided over 19 million personalised State Pension estimates. It has encouraged people to request these as part of their long-term financial planning —after all, retirement is a life changing financial decision and people are expected to plan for this.

Following the 1995 SP changes the equalisation of men and women’s SPs was often reported in the media and debated at length in Parliament. DWP notified people with leaflets and carried out a pension’s education campaign between 2001 and 2004. This included information on the future equalisation of SPs. Later DWP sent individual letters to those affected. The Government made further increases to SPs in 2011 after a public consultation exercise and extensive debates in Parliament.

With Government facing increasing financial pressures, they cannot unpick the changes to SPs, some of which have been in place for 22 years. It is simply not affordable, especially when we take into account that the average woman reaching SPs last year will get a higher SP income over her lifetime than an average woman reaching SPs at any point before.

There will be no further changes to the law on this issue. This would mean working-age people, especially younger people, bearing a greater share of the cost of the pensions system.
Petition

OBSERVATIONS

Tuesday 9 January 2018

FOREIGN AND COMMONWEALTH OFFICE
Myanmar’s Muslim Ethnic Minority

The petition of residents of Lanarkshire.

Declares that urgent action should be taken to stop the violence against Myanmar’s Muslim ethnic minority; further that Rohingya Muslims in the Rakhine state have been indiscriminately targeted against in a recent increase of human rights abuses; further that the United Nations High Commissioner for Refugees claims that Rohingya Muslims are victims of acts such as: indiscriminate killings, torture, rapes/sexual assault and the destruction of mosques; and further that Myanmar’s Muslim population are being displaced internally and taking refuge elsewhere.

The petitioners therefore request that the House of Commons urges the Government to call for an immediate end of violence against an already persecuted religious minority; further to set up an international commission to investigate the claims of atrocities and genocide for possible crimes against humanity; and further to set up with the international community a process to monitor and look into citizenship of Myanmar.

And the petitioners remain, etc.—[Presented by Marion Fellows, Official Report, 15 November 2017; Vol. 631, c. 2P. ]

Annex

Observations from the Minister for Asia and the Pacific (Mark Field):

The Government remain deeply concerned by the situation facing the Rohingya of Rakhine State. Over 640,000 have fled from Burma to Bangladesh since late August 2017. This is a major humanitarian crisis created by Burma’s military. Although the violence in Rakhine has decreased, humanitarian needs are not being met and over 800 people a day are still crossing the border.

The UK has played a leading role in the international diplomatic and humanitarian response to the Rohingya crisis and will continue to do so. The Foreign Secretary convened a meeting of Foreign Ministers on Burma in New York in 18 September 2017 which ensured a clear international call for the Burmese authorities to stop the violence. The UK reinforced this by proposing and securing a presidential statement on Burma on 6 November 2017, the first Council product on Burma for ten years. This statement called on the Burmese authorities to urgently: stop the violence, protect civilians allow refugees to return and allow full humanitarian access. The statement stressed the importance of transparent investigations into allegations of human rights violations, and holding to account all those responsible for such acts. The UK is one of the largest bilateral donors to the assistance being provided by the international community to the Rohingya in Bangladesh, with a total contribution of £59 million.

The Government have been clear in their condemnation of the terrible atrocities that have occurred in Rakhine State. There is no equivocation: we recognise this has been ethnic cleansing. I called for an independent international investigation into reports of human rights violations when I met Burma’s Defence Minister on 20 November 2017. Lord Ahmad, Minister for the Commonwealth and the UN, reinforced this when he represented the UK and secured support for a resolution at the special session of the UN Human Rights Council on 5 December 2017. The UK co-sponsored the resolution which was passed by the UN General Assembly on 24 December 2017, which recommended establishment of a UN Special Envoy to Burma to address these issues.

The UK will continue to work with international partners to maintain pressure on Burma’s civilian Government to allow a credible investigation and ensure accountability for the perpetrators of any crimes. The UK was central to the establishment of the UN Fact-Finding Mission, whose members I met on 15 December 2017 and whose important work the UK will continue to encourage. Furthermore, the UK has deployed two civilian experts to Bangladesh to conduct a capacity needs assessment on investigation and documentation of sexual violence, and to provide recommendations on support for evidence gathering. As the Foreign Secretary said in the House of Commons on 21 November 2017, it is vital that any evidence or testimony gathered is collated in the proper way, so relevant judicial authorities can determine whether or not the actions amount to genocide or other crimes under international law.

The UK believes the Rohingya of Rakhine State should be given citizenship status in Burma. The Kofi Annan-led Rakhine Advisory Commission (RAC) makes clear that the issue of citizenship must be addressed in Rakhine by making progress on citizenship verification under the existing laws and by reviewing the controversial 1982 Citizenship Law. Aung San Suu Kyi has committed to implementing the Rakhine Advisory Commission’s recommendations. The UK Government have welcomed the report and the Burmese Government’s declared intention to implement its recommendations. I have spoken to two of the international members of the Advisory Board for the implementation of the Rakhine Advisory Commission’s recommendations. The UK stands ready to offer practical support to this work, which offers the best chance to improve the lives of all the communities of Rakhine.

The UK played a leading role in the international diplomatic and humanitarian response to the Rohingya crisis and will continue to do so. The Foreign Secretary convened a meeting of Foreign Ministers on Burma in New York in 18 September 2017 which ensured a clear international call for the Burmese authorities to stop the violence. The UK reinforced this by proposing and securing a presidential statement on Burma on 6 November 2017, the first Council product on Burma for ten years. This statement called on the Burmese authorities to urgently: stop the violence, protect civilians allow refugees to return and allow full humanitarian access. The statement stressed the importance of transparent investigations into allegations of human rights violations, and holding to account all those responsible for such acts. The UK is one of the largest bilateral donors to the assistance being provided by the international community to the Rohingya in Bangladesh, with a total contribution of £59 million.

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Petition

Thursday 18 January 2018

OBSERVATIONS

DEFENCE

BAE Systems jobs in Brough

The petition of residents of Kingston upon Hull and the East Riding of Yorkshire,

Declares that residents believe that skilled defence manufacturing jobs at BAES Systems in Brough are of vital strategic importance for the defence and security of the United Kingdom.

The petitioners therefore request that the House of Commons urges the Government to take action to save 400 jobs that are under threat at Brough, including ordering new Hawk aircrafts for the Red Arrows to replace the current fleet that was made in the 1970s.

And the petitioners remain, etc. —[Presented by Diana Johnson, Official Report, 21 November 2017; Vol. 631, c. 1015.]

Observations from the Parliamentary Under-Secretary of State for Defence (Guto Bebb):

BAE Systems has taken the decision to transform its business to increase its competitiveness and ensure that it is as efficient as possible. While this is a matter for the company, the Government appreciate that it is a worrying time for the 400 employees at Brough who are potentially affected, as well as their families and the local community. BAE Systems is still in consultation on the proposed changes and the Ministry of Defence (MOD) continues to work closely with the company to understand the impact of the potential reductions. The Department for Work and Pensions is also standing by to offer support for those affected.

More broadly, the Government recognise the importance of highly skilled defence manufacturing jobs to UK prosperity. The recently refreshed Defence Industrial Policy makes clear our commitment to fostering an internationally competitive, innovative and secure UK defence sector. As part of this work, we worked with suppliers of all sizes and across all sectors, including BAE Systems, to understand how we can support growth and competitiveness, as well as meet our national security objectives. This is a continuing process of engagement. Our policy also recognises that the combat air sector, which includes those employed in Brough, makes a strategically important contribution to securing our military operational advantage and freedom of action, including the development of high-end technologies. The sector also generates significant revenues and international influence through exports.

We are committed, therefore, to keeping the UK a leading aerospace nation and we are already working with industry on our long-term requirements, for example on the Future Combat Air System Technology Initiative. Through this programme, we are working in partnership with the UK defence industry and our closest allies to develop key technologies while also sustaining the UK industrial base.

In the nearer term, the recent £6 billion agreement with Qatar for 24 Typhoon aircraft, which is the biggest order for the aircraft in a decade, is another significant boost for BAE Systems. This agreement also included a clear intention to proceed with the purchase of Hawk aircraft. We recognise that this is an increasingly competitive and demanding international market, but we believe that Typhoon and Hawk are world-leading products. We continue to work closely with BAE Systems in pursuit of continued export success for both aircraft, looking to build on previous international success.

The Red Arrows currently have aircraft available from a pool of around 75 Hawk T1 which are due to remain in service until 2030. It does not make sense to replace them before then and any premature purchase would obviously come at the expense of equipment which our Armed Forces actually need. Any decision about replacements is therefore unlikely to be taken until the end of this Parliament.

It is also worth noting that, in the wider region, the Humber Local Enterprise Partnership has previously been awarded £141.5 million from this Government to promote local growth and deliver new jobs across the Humber. This includes £12 million to provide grant funding to small and medium-sized enterprises in order to stimulate growth, investment and job creation.

The Humber has the largest Enterprise Zone in the country, which is focused on developing the Humber as the centre for offshore renewable energy and to support advanced manufacturing and port-related logistics sites. The Enterprise Zone sites include Brough, and 18 companies have located to the site (known locally as Humber Enterprise Park) creating at least 101 jobs to date. These actions have attracted major investments in the Humber area, including Siemens Gamesa which has created around 1,000 jobs at Green Port Hull, with a £310 million investment to create an offshore wind blade manufacturing factory and assembly plant. Also, Reckitt Benckiser, is developing a £105 million centre for scientific excellence in Hull with the support of this Government.

The petitioners therefore request that the House of Commons urges the Government to take action to save 400 jobs that are under threat at Brough, including ordering new Hawk aircrafts for the Red Arrows to replace the current fleet that was made in the 1970s.

And the petitioners remain, etc. —[Presented by Diana Johnson, Official Report, 21 November 2017; Vol. 631, c. 1015.]
Ministerial Correction

Monday 8 January 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Small Business Sector

The following is an extract from Questions to the Secretary of State for Business, Energy and Industrial Strategy on 12 December 2017.

Bill Esterson (Sefton Central) (Lab): Despite having the fifth biggest economy in the world—soon to be the sixth—the UK is ranked only 48th in the global enterprise league; 48th out of five really takes some doing. But this is not just about the lack of support for start-ups. Among small and medium-sized enterprises business confidence is falling and costs are rising, and, as the Bank of England’s figures show, access to finance is still at its lowest level since 2010. Do the Government have any excuse for their woeful failure to support our smallest businesses?

Margot James: The hon. Gentleman really should stop talking small businesses down, and he is absolutely wrong in his estimate. The UK is No. 4 in the world for being the best place to start a business, and the OECD figures show that we score highly on enterprise. He does raise a valid point about growth, and we need to improve our record in supporting small businesses to grow, which is precisely why the Chancellor has made available a vast amount of money in this year’s Budget to support the growth of small businesses. [Official Report, 12 December 2017, Vol. 633, c. 166.]

Letter of correction from Margot James.

An error has been identified in the response I gave to the hon. Member for Sefton Central (Bill Esterson). The correct response should have been:

Margot James: The hon. Gentleman really should stop talking small businesses down, and he is absolutely wrong in his estimate. The UK is No. 4 in the EU for ease of starting a business and No. 14 in the world, and the OECD figures show that we score highly on enterprise. He does raise a valid point about growth, and we need to improve our record in supporting small businesses to grow, which is precisely why the Chancellor has made available a vast amount of money in this year’s Budget to support the growth of small businesses.
**Ministerial Corrections**

*Monday 15 January 2018*

**EDUCATION**  
**Apprenticeships**

The following is an extract from an answer given by the Minister for Apprenticeships and Skills to the hon. Member for Havant (Alan Mak) during Oral Answers to Questions to Education Ministers on 11 December 2017:

Alan Mak (Havant) (Con): Will the Minister update the House on her Department’s work to encourage more people with learning disabilities to get involved in apprenticeships and join the labour market?

Anne Milton: Yes. We are doing a huge amount of work; I know that my hon. Friend, as chairman of the all-party group on apprenticeships, is doing a lot of work himself. We have specific targets: we want the proportion of people with learning disabilities starting apprenticeships to increase by 20% by 2020. We have made progress, and the trajectory for people with learning disabilities is going up. [Official Report, 11 December 2017, Vol. 633, c. 15.]

**Letter of correction from Anne Milton:**

An error has been identified in the Oral Answer given to the hon. Member for Havant (Alan Mak).

The correct response should have been:

Anne Milton: Yes. We are doing a huge amount of work; I know that my hon. Friend, as chairman of the all-party group on apprenticeships, is doing a lot of work himself. We have specific targets: we want the proportion of people with learning disabilities starting apprenticeships to increase by 20% by 2020. We have made progress, and the trajectory for people with learning disabilities is going up.

**Topical Questions**

The following is an extract from an answer given by the Minister for Apprenticeships and Skills to the hon. Member for Coventry South (Mr Cunningham) during Topical Questions to Education Ministers on 11 December 2017:

Mr Jim Cunningham (Coventry South) (Lab): What is the Minister doing to help young people with hearing difficulties to obtain apprenticeships?

Anne Milton: A lot of work and a lot of money is going into making sure that young people with learning difficulties can access apprenticeships. That is why we have set targets so that 20% of all apprenticeship starts will be people with learning difficulties by 2020. [Official Report, 11 December 2017, Vol. 633, c. 23.]

**Letter of correction from Anne Milton:**

An error has been identified in the Oral Answer given to the hon. Member for Coventry South (Mr Cunningham).

The correct response should have been:

Anne Milton: A lot of work and a lot of money is going into making sure that young people with learning difficulties can access apprenticeships. **That is why we have set a target of a 20% increase in the proportion of apprenticeship starts by people with learning difficulties by 2020.**